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DELTA REPORT

10-Q

APD - AIR PRODUCTS & CHEMICALS,

10-Q - DECEMBER 31, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2438
CHANGES	233
DELETIONS	1031
ADDITIONS	1174

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended 30 June 31 December 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______to ______

Commission File Number 001-04534

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AIR PRODUCTS AND CHEMICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**23-1274455**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1940 Air Products Boulevard
Allentown, Pennsylvania 18106-5500
(Address of principal executive offices and Zip Code)

610-481-4911
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.00 per share	APD	New York Stock Exchange
1.000% Euro Notes due 2025	APD25	New York Stock Exchange
0.500% Euro Notes due 2028	APD28	New York Stock Exchange
0.800% Euro Notes due 2032	APD32	New York Stock Exchange
4.000% Euro Notes due 2035	APD35	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock, par value $1 per share, outstanding at 30 June 31 December 2023 was 222,148,761. 222,301,051.

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
QUARTERLY REPORT ON FORM 10-Q
For the quarterly period ended 30 June 31 December 2023

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts and can generally be identified by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "future," "goal," "intend," "may," "outlook," "plan," "positioned," "possible," "potential," "project," "should," "target," "will," "would," and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements. Forward-looking statements are based on management's expectations and assumptions as of the date of this report and are not guarantees of future performance. You are cautioned not to place undue reliance on our forward-looking statements.

Forward-looking statements may relate to a number of matters, including expectations regarding revenue, margins, expenses, earnings, tax provisions, cash flows, pension obligations, share repurchases or other statements regarding economic conditions or our business outlook; statements regarding capital expenditures and plans, projects, strategies and objectives for our future operations, including our ability to win new projects and execute the projects in our backlog; and statements regarding our expectations with respect to pending legal claims or disputes. While forward-looking statements are made in good faith and based on assumptions, expectations and projections that management believes are reasonable based on currently available information, actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors, including, without limitation:

- the duration and impacts of the COVID-19 global pandemic and efforts to contain its transmission, including the effect of these factors on our business, our customers, economic conditions and markets generally;
- changes in global or regional economic conditions, inflation, and supply and demand dynamics in the market segments we serve, including demand for technologies and projects to limit the impact of global climate change;
- changes in the financial markets that may affect the availability and terms on which we may obtain financing;
- the ability to implement price increases to offset cost increases;
- disruptions to our supply chain and related distribution delays and cost increases;
- risks associated with having extensive international operations, including political risks, risks associated with unanticipated government actions and risks of investing in developing markets;
- project delays, scope changes, cost escalations, contract terminations, customer cancellations, or postponement of projects and sales;

- our ability to safely develop, operate, and manage costs of large-scale and technically complex projects;
- the future financial and operating performance of major customers, joint ventures, and equity affiliates;
- our ability to develop, implement, and operate new technologies and to market products produced utilizing new technologies;
- our ability to execute the projects in our backlog and refresh our pipeline of new projects;
- tariffs, economic sanctions and regulatory activities in jurisdictions in which we and our affiliates and joint ventures operate;
- the impact of environmental, tax, safety, or other legislation, as well as regulations and other public policy initiatives affecting our business and the business of our affiliates and related compliance requirements, including legislation, regulations, or policies intended to address global climate change;
- changes in tax rates and other changes in tax law;
- safety incidents relating to our operations;
- the timing, impact, and other uncertainties relating to acquisitions and divestitures, including our ability to integrate acquisitions and separate divested businesses, respectively;

FORWARD-LOOKING STATEMENTS (CONTINUED)

- risks relating to cybersecurity incidents, including risks from the interruption, failure or compromise of our information systems or those of our business partners or service providers;

FORWARD-LOOKING STATEMENTS (CONTINUED)

- catastrophic events, such as natural disasters and extreme weather events, pandemics and other public health crises, acts of war, including Russia's invasion of Ukraine and new and ongoing conflicts in the ongoing civil war in Yemen, Middle East, or terrorism;
- the impact on our business and customers of price fluctuations in oil and natural gas and disruptions in markets and the economy due to oil and natural gas price volatility;
- costs and outcomes of legal or regulatory proceedings and investigations;
- asset impairments due to economic conditions or specific events;
- significant fluctuations in inflation, interest rates, and foreign currency exchange rates from those currently anticipated;
- damage to facilities, pipelines or delivery systems, including those we are constructing or that we own or operate for third parties;
- availability and cost of electric power, natural gas, and other raw materials; and
- the success of productivity and operational improvement programs.

In addition to the foregoing factors, forward-looking statements contained herein are qualified with respect to the risks disclosed elsewhere in this document, including in Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, and Item 3, *Quantitative and Qualitative Disclosures About Market Risk*, as well as with respect to the risks described in Item 1A, *Risk Factors*, to our Annual Report on Form 10-K for the fiscal year ended 30 September 2022. 2023. Any of these factors, as well as those not currently anticipated by management, could cause our results of operations, financial condition or liquidity to differ materially from what is expressed or implied by any forward-looking statement. Except as required by law, we disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in assumptions, beliefs, or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Air Products and Chemicals, Inc. and Subsidiaries
CONSOLIDATED INCOME STATEMENTS
(Unaudited)

Three Months Ended
Three Months Ended
Three Months Ended
31 December
31 December
31 December

(Millions of U.S. Dollars, except for share and per share data)

(Millions of U.S. Dollars, except for share and per share data)

(Millions of U.S. Dollars, except for share and per share data)

Sales

Sales

Sales

Cost of sales
Cost of sales
Cost of sales

Selling and administrative expense

Selling and administrative expense

Selling and administrative expense

Research and development expense

Research and development expense

Research and development expense

(Millions of U.S. Dollars, except for share and per share data)	Three Months Ended 30 June 2023	2022	Nine Months Ended 30 June 2023	2022
Sales	$3,033.9	$3,189.3	$9,408.7	$9,128.6
Cost of sales	2,070.7	2,342.1	6,625.8	6,717.3
Selling and administrative expense	238.7	216.9	724.3	676.7
Research and development expense	29.3	24.8	80.9	71.8
Business and asset actions	59.0	—	244.6	—
Other income (expense), net Other income (expense), net	8.0	21.9	22.9	49.5
Operating Income **Operating Income**	644.2	627.4	1,756.0	1,712.3

Other income (expense), net

Other income (expense), net

Operating Income

Operating Income

Equity affiliates' income

Equity affiliates' income

Equity affiliates' income	Equity affiliates' income	165.0	116.1	440.9	384.7
Interest expense	Interest expense	47.4	32.7	129.5	95.5

Interest expense

Interest expense

Other non-operating income (expense), net

Other non-operating income (expense), net

Other non-operating income (expense), net	Other non-operating income (expense), net	(11.7)	10.5	(26.2)	42.2
Income Before Taxes	**Income Before Taxes**	750.1	721.3	2,041.2	2,043.7

Income Before Taxes

Income Before Taxes

Income tax provision

Income tax provision

Income tax provision	Income tax provision	139.6	134.2	397.0	370.2
Net Income	**Net Income**	610.5	587.1	1,644.2	1,673.5

Net Income

Net Income

Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	14.9	5.0	36.6	0.5

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests

Net Income Attributable to Air Products

Net Income Attributable to Air Products

Net Income Attributable to Air Products	**Net Income Attributable to Air Products**	$595.6	$582.1	$1,607.6	$1,673.0
Per Share Data *(U.S. Dollars per share)*	**Per Share Data** *(U.S. Dollars per share)*				

Per Share Data *(U.S. Dollars per share)*

Per Share Data *(U.S. Dollars per share)*

Basic earnings per share attributable to Air Products

Basic earnings per share attributable to Air Products					
Basic earnings per share attributable to Air Products	Basic earnings per share attributable to Air Products	$2.68	$2.62	$7.23	$7.54
Diluted earnings per share attributable to Air Products	Diluted earnings per share attributable to Air Products	$2.67	$2.62	$7.22	$7.52
Diluted earnings per share attributable to Air Products					
Diluted earnings per share attributable to Air Products					
Weighted Average Common Shares *(in millions)*					
Weighted Average Common Shares *(in millions)*					
Weighted Average Common Shares *(in millions)*	**Weighted Average Common Shares** *(in millions)*				
Basic	Basic	222.4	222.0	222.3	222.0
Basic					
Basic					
Diluted	Diluted	222.8	222.5	222.7	222.5
Diluted					
Diluted					

The accompanying notes are an integral part of these statements.

Air Products and Chemicals, Inc. and Subsidiaries
CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
(Unaudited)

	Three Months Ended 30 June	
(Millions of U.S. Dollars)	2023	2022
Net Income	$610.5	$587.1
Other Comprehensive Loss, net of tax:		
Translation adjustments, net of tax of ($5.0) and $27.7	(175.8)	(576.1)
Net gain (loss) on derivatives, net of tax of $5.8 and ($8.4)	40.8	(16.0)
Reclassification adjustments:		
Derivatives, net of tax of ($7.6) and $3.7	(24.4)	11.4
Pension and postretirement benefits, net of tax of $4.6 and $5.7	13.5	17.5
Total Other Comprehensive Loss	(145.9)	(563.2)
Comprehensive Income	464.6	23.9
Net Income Attributable to Noncontrolling Interests	14.9	5.0
Other Comprehensive Loss Attributable to Noncontrolling Interests	(4.4)	(18.2)

Comprehensive Income Attributable to Air Products	$454.1	$37.1

	Nine Months Ended 30 June	
(Millions of U.S. Dollars)	2023	2022
Net Income	$1,644.2	$1,673.5
Other Comprehensive Income (Loss), net of tax:		
Translation adjustments, net of tax of ($53.6) and $44.5	384.8	(594.3)
Net gain (loss) on derivatives, net of tax of $43.4 and ($34.8)	147.2	(55.9)
Pension and postretirement benefits, net of tax of $2.4 and $—	6.7	—
Reclassification adjustments:		
Currency translation adjustment	(0.3)	—
Derivatives, net of tax of ($27.4) and $18.4	(87.3)	56.1
Pension and postretirement benefits, net of tax of $13.0 and $16.6	39.8	49.4
Total Other Comprehensive Income (Loss)	490.9	(544.7)
Comprehensive Income	2,135.1	1,128.8
Net Income Attributable to Noncontrolling Interests	36.6	0.5
Other Comprehensive Income (Loss) Attributable to Noncontrolling Interests	9.6	(10.0)
Comprehensive Income Attributable to Air Products	$2,088.9	$1,138.3

	Three Months Ended 31 December	
(Millions of U.S. Dollars)	2023	2022
Net Income	$621.6	$583.8
Other Comprehensive Income, net of tax:		
Translation adjustments, net of tax of ($29.8) and ($38.0)	380.6	509.6
Net (loss) gain on derivatives, net of tax of $5.5 and $38.2	(161.1)	121.0
Pension and postretirement benefits, net of tax of $— and $2.4	—	6.7
Reclassification adjustments:		
Derivatives, net of tax of ($12.8) and ($21.7)	(42.2)	(68.7)
Pension and postretirement benefits, net of tax of $4.2 and $3.7	13.7	11.9
Total Other Comprehensive Income	191.0	580.5
Comprehensive Income	$812.6	$1,164.3
Net Income Attributable to Noncontrolling Interests	12.3	11.6
Other Comprehensive (Loss) Income Attributable to Noncontrolling Interests	(138.1)	12.7
Comprehensive Income Attributable to Air Products	$938.4	$1,140.0

The accompanying notes are an integral part of these statements.

Air Products and Chemicals, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Unaudited)

		30 June	30 September			
	31 December				31 December	30 September
(Millions of U.S. Dollars, except for share and per share data)	*(Millions of U.S. Dollars, except for share and per share data)*	2023	2022	*(Millions of U.S. Dollars, except for share and per share data)*	2023	2023
Assets	**Assets**					

Current Assets	**Current Assets**		
Current Assets			
Current Assets			
Cash and cash items			
Cash and cash items			
Cash and cash items	Cash and cash items	$1,637.7	$2,711.0
Short-term investments	Short-term investments	268.7	590.7
Trade receivables, net	Trade receivables, net	1,934.2	1,794.4
Inventories	Inventories	663.9	514.2
Prepaid expenses	Prepaid expenses	179.2	156.8
Prepaid expenses			
Prepaid expenses			
Other receivables and current assets	Other receivables and current assets	670.3	515.8
Total Current Assets			
Total Current Assets			
Total Current Assets	**Total Current Assets**	5,354.0	6,282.9
Investment in net assets of and advances to equity affiliates	Investment in net assets of and advances to equity affiliates	4,493.5	3,353.8
Plant and equipment, at cost	Plant and equipment, at cost	31,715.5	28,160.1
Less: accumulated depreciation	Less: accumulated depreciation	15,202.7	13,999.6
Plant and equipment, net	Plant and equipment, net	16,512.8	14,160.5
Goodwill, net	Goodwill, net	891.6	823.0
Intangible assets, net	Intangible assets, net	358.9	347.5
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	970.8	694.8
Noncurrent lease receivables	Noncurrent lease receivables	520.0	583.1
Financing receivables	Financing receivables	817.2	—
Other noncurrent assets	Other noncurrent assets	1,010.7	947.0
Total Noncurrent Assets	**Total Noncurrent Assets**	25,575.5	20,909.7
Total Noncurrent Assets			
Total Noncurrent Assets			

Total Assets(A)	**Total Assets**(A)	$30,929.5	$27,192.6	
Liabilities and Equity	**Liabilities and Equity**			**Liabilities and Equity**
Current Liabilities	**Current Liabilities**			
Payables and accrued liabilities				
Payables and accrued liabilities				
Payables and accrued liabilities	Payables and accrued liabilities	$3,062.2	$2,771.6	
Accrued income taxes	Accrued income taxes	108.8	135.2	
Short-term borrowings	Short-term borrowings	559.1	10.7	
Current portion of long-term debt	Current portion of long-term debt	217.6	548.3	
Total Current Liabilities				
Total Current Liabilities				
Total Current Liabilities	**Total Current Liabilities**	3,947.7	3,465.8	
Long-term debt	Long-term debt	8,466.5	6,433.8	
Long-term debt – related party	Long-term debt – related party	148.7	652.0	
Noncurrent operating lease liabilities	Noncurrent operating lease liabilities	635.5	592.1	
Other noncurrent liabilities	Other noncurrent liabilities	1,144.6	1,099.1	
Deferred income taxes	Deferred income taxes	1,215.8	1,247.4	
Total Noncurrent Liabilities	**Total Noncurrent Liabilities**	11,611.1	10,024.4	
Total Noncurrent Liabilities				
Total Noncurrent Liabilities				
Total Liabilities(A)	**Total Liabilities**(A)	15,558.8	13,490.2	
Commitments and Contingencies - See Note 13				
Commitments and Contingencies - See Note 10				**Commitments and Contingencies - See Note 10**
Air Products Shareholders' Equity	**Air Products Shareholders' Equity**			
Common stock (par value $1 per share; issued 2023 and 2022 - 249,455,584 shares)		249.4	249.4	
Common stock (par value $1 per share; issued 2024 and 2023 - 249,455,584 shares)				
Common stock (par value $1 per share; issued 2024 and 2023 - 249,455,584 shares)				

Common stock (par value $1 per share; issued 2024 and 2023 - 249,455,584 shares)			
Capital in excess of par value	Capital in excess of par value	1,176.9	1,141.4
Retained earnings	Retained earnings	16,986.9	16,520.3
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(2,304.8)	(2,786.1)
Treasury stock, at cost (2023 - 27,306,823 shares; 2022 - 27,616,888 shares)		(1,970.4)	(1,981.0)
Treasury stock, at cost (2024 - 27,154,533 shares; 2023 - 27,255,739 shares)			
Total Air Products Shareholders' Equity	**Total Air Products Shareholders' Equity**	14,138.0	13,144.0
Noncontrolling Interests(A)	**Noncontrolling Interests**(A)	1,232.7	558.4
Total Equity	**Total Equity**	15,370.7	13,702.4
Total Liabilities and Equity	**Total Liabilities and Equity**	$30,929.5	$27,192.6

(A) Includes balances associated with a consolidated variable interest entity ("VIE"), including amounts reflected in "Total Assets" that can only be used to settle obligations of the VIE of $1,621.2 $2,751.8 and $519.7 $2,256.8 as of 30 June 31 December 2023 and 30 September 2022, 2023, respectively, as well as liabilities of the VIE reflected within "Total Liabilities" for which creditors do not have recourse to the general credit of Air Products of $496.6 $2,166.1 and $506.8 $1,461.1 as of 30 June 31 December 2023 and 30 September 2022, 2023, respectively. Refer to Note 3, *Variable Interest Entities*, for additional information. information regarding the NEOM Green Hydrogen Company joint venture.

The accompanying notes are an integral part of these statements.

Air Products and Chemicals, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

		Nine Months Ended					
	Three Months Ended						Three Months Ended
		30 June			31 December		
(Millions of U.S. Dollars)	*(Millions of U.S. Dollars)*	2023	2022	*(Millions of U.S. Dollars)*	2023	2022	
Operating Activities	**Operating Activities**						
Net income	Net income	$1,644.2	$1,673.5				
Less: Net income (loss) attributable to noncontrolling interests		36.6	0.5				
Net income							
Net income							

Less: Net income attributable to noncontrolling interests

Net income attributable to Air Products

Net income attributable to Air Products

Net income attributable to Air Products	Net income attributable to Air Products	1,607.6	1,673.0
Adjustments to reconcile income to cash provided by operating activities:	Adjustments to reconcile income to cash provided by operating activities:		

Adjustments to reconcile income to cash provided by operating activities:

Adjustments to reconcile income to cash provided by operating activities:

Depreciation and amortization

Depreciation and amortization

Depreciation and amortization	Depreciation and amortization	1,001.0	1,005.4
Deferred income taxes	Deferred income taxes	(14.1)	69.0
Business and asset actions		244.6	—
Undistributed earnings of equity method investments		(130.1)	(184.8)

(Undistributed) distributed earnings of equity method investments

(Undistributed) distributed earnings of equity method investments

(Undistributed) distributed earnings of equity method investments

Gain on sale of assets and investments	Gain on sale of assets and investments	(5.2)	(21.4)
Share-based compensation	Share-based compensation	45.8	37.0
Noncurrent lease receivables	Noncurrent lease receivables	60.9	65.5
Other adjustments	Other adjustments	152.3	(139.2)

Other adjustments

Other adjustments

Working capital changes that provided (used) cash, excluding effects of acquisitions:	Working capital changes that provided (used) cash, excluding effects of acquisitions:

Trade receivables

Trade receivables			
Trade receivables	Trade receivables	(49.2)	(389.7)
Inventories	Inventories	(133.5)	(80.8)
Other receivables	Other receivables	(98.5)	(22.8)
Payables and accrued liabilities	Payables and accrued liabilities	(375.4)	320.1
Other working capital	Other working capital	(102.8)	(118.1)
Cash Provided by Operating Activities	**Cash Provided by Operating Activities**	2,203.4	2,213.2
Investing Activities	**Investing Activities**		
Additions to plant and equipment, including long-term deposits	Additions to plant and equipment, including long-term deposits	(3,163.5)	(2,139.1)
Acquisitions, less cash acquired		—	(65.1)
Investment in and advances to unconsolidated affiliates		(912.0)	(1,650.9)
Additions to plant and equipment, including long-term deposits			
Additions to plant and equipment, including long-term deposits			
Investment in financing receivables			
Investment in financing receivables			
Investment in financing receivables	Investment in financing receivables	(665.0)	—
Proceeds from sale of assets and investments	Proceeds from sale of assets and investments	13.3	32.8
Purchases of investments	Purchases of investments	(443.4)	(1,247.9)
Proceeds from investments	Proceeds from investments	766.0	2,219.2
Other investing activities	Other investing activities	4.8	6.9
Cash Used for Investing Activities		(4,399.8)	(2,844.1)
Other investing activities			
Other investing activities			
Cash Used For Investing Activities			
Financing Activities	**Financing Activities**		
Long-term debt proceeds	Long-term debt proceeds	2,116.3	357.0
Long-term debt proceeds			
Long-term debt proceeds			
Payments on long-term debt	Payments on long-term debt	(605.8)	(400.0)

Net increase in commercial paper and short-term borrowings		567.3	255.0
Net increase (decrease) in commercial paper and short-term borrowings			
Dividends paid to shareholders			
Dividends paid to shareholders			
Dividends paid to shareholders	Dividends paid to shareholders	(1,107.9)	(1,023.9)
Proceeds from stock option exercises	Proceeds from stock option exercises	19.5	16.3
Proceeds from stock option exercises			
Proceeds from stock option exercises			
Investments by noncontrolling interests	Investments by noncontrolling interests	188.8	21.0
Other financing activities			
Other financing activities			
Other financing activities	Other financing activities	(79.3)	(37.5)
Cash Provided by (Used for) Financing Activities	**Cash Provided by (Used for) Financing Activities**	1,098.9	(812.1)
Effect of Exchange Rate Changes on Cash	**Effect of Exchange Rate Changes on Cash**	24.2	(68.5)
Decrease in cash and cash items		(1,073.3)	(1,511.5)
Effect of Exchange Rate Changes on Cash			
Effect of Exchange Rate Changes on Cash			
Increase in cash and cash items			
Cash and cash items – Beginning of year	Cash and cash items – Beginning of year	2,711.0	4,468.9
Cash and Cash Items – End of Period	**Cash and Cash Items – End of Period**	$1,637.7	$2,957.4

The accompanying notes are an integral part of these statements.

Air Products and Chemicals, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Nine Months Ended 30 June 2023

(Millions of U.S. Dollars, except for per share data)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Air Products Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at 30 September 2022	$249.4	$1,141.4	$16,520.3	($2,786.1)	($1,981.0)	$13,144.0	$558.4	$13,702.4
Net income	—	—	1,607.6	—	—	1,607.6	36.6	1,644.2
Other comprehensive income	—	—	—	481.3	—	481.3	9.6	490.9
Dividends on common stock (per share $5.12)	—	—	(1,137.3)	—	—	(1,137.3)	—	(1,137.3)
Dividends to noncontrolling interests	—	—	—	—	—	—	(7.9)	(7.9)
Share-based compensation	—	42.3	—	—	—	42.3	—	42.3
Issuance of treasury shares for stock option and award plans	—	(7.2)	—	—	10.6	3.4	—	3.4
Investments by noncontrolling interests(A)	—	—	—	—	—	—	636.1	636.1
Other equity transactions	—	0.4	(3.7)	—	—	(3.3)	(0.1)	(3.4)
Balance at 30 June 2023	$249.4	$1,176.9	$16,986.9	($2,304.8)	($1,970.4)	$14,138.0	$1,232.7	$15,370.7

(A) Reflects noncash activity related to the NEOM Green Hydrogen Company joint venture. Refer to Note 3, *Variable Interest Entities*, for additional information.

	Three Months Ended 31 December 2023							
(Millions of U.S. Dollars, except for per share data)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Air Products Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at 30 September 2023	$249.4	$1,190.5	$17,289.7	($2,449.4)	($1,967.3)	$14,312.9	$1,347.4	$15,660.3
Net income	—	—	609.3	—	—	609.3	12.3	621.6
Other comprehensive income	—	—	—	329.1	—	329.1	(138.1)	191.0
Dividends on common stock (per share $1.75)	—	—	(389.0)	—	—	(389.0)	—	(389.0)
Share-based compensation	—	13.8	—	—	—	13.8	—	13.8
Issuance of treasury shares for stock option and award plans	—	(4.4)	—	—	1.2	(3.2)	—	(3.2)
Investments by noncontrolling interests	—	—	—	—	—	—	34.5	34.5
Other equity transactions	—	0.1	—	—	—	0.1	—	0.1
Balance at 31 December 2023	$249.4	$1,200.0	$17,510.0	($2,120.3)	($1,966.1)	$14,873.0	$1,256.1	$16,129.1

Nine Months Ended 30 June 2022

Three Months Ended 31 December 2022

Three Months Ended 31 December 2022

(Millions of U.S. Dollars, except for per share data)	(Millions of U.S. Dollars, except for per share data)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Air Products Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at 30 September 2021		$249.4	$1,115.8	$15,678.3	($1,515.9)	($1,987.9)	$13,539.7	$548.3	$14,088.0
Balance at 30 September 2022									
Net income	Net income	—	—	1,673.0	—	—	1,673.0	0.5	1,673.5
Other comprehensive income		—	—	—	(534.7)	—	(534.7)	(10.0)	(544.7)
Dividends on common stock (per share $4.74)		—	—	(1,051.2)	—	—	(1,051.2)	—	(1,051.2)
Other comprehensive income (loss)									
Dividends on common stock (per share $1.62)									

(Millions of U.S. Dollars, except for per share data)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Air Products Shareholders' Equity	Non-controlling Interests	Total Equity

Dividends to noncontrolling interests	Dividends to noncontrolling interests	—	—	—	—	—	—	(1.0)	(1.0)
Share-based compensation	Share-based compensation	—	35.6	—	—	—	35.6	—	35.6
Issuance of treasury shares for stock option and award plans	Issuance of treasury shares for stock option and award plans	—	(20.9)	—	—	4.3	(16.6)	—	(16.6)
Investments by noncontrolling interests		—	—	—	—	—	—	33.0	33.0
Purchase of noncontrolling interests		—	—	—	—	—	—	(1.9)	(1.9)
Other equity transactions		—	0.3	(2.2)	—	—	(1.9)	2.9	1.0
Balance at 30 June 2022		$249.4	$1,130.8	$16,297.9	($2,050.6)	($1,983.6)	$13,643.9	$571.8	$14,215.7
Other equity transactions									
Other equity transactions									
Other equity transactions									
Balance at 31 December 2022									

The accompanying notes are an integral part of these statements.

Air Products and Chemicals, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF EQUITY (cont.)
(Unaudited)

	Three Months Ended 30 June 2023							
(Millions of U.S. Dollars, except for per share data)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Air Products Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at 31 March 2023	$249.4	$1,163.4	$16,781.3	($2,163.3)	($1,972.5)	$14,058.3	$631.9	$14,690.2
Net income	—	—	595.6	—	—	595.6	14.9	610.5
Other comprehensive loss	—	—	—	(141.5)	—	(141.5)	(4.4)	(145.9)
Dividends on common stock (per share $1.75)	—	—	(388.8)	—	—	(388.8)	—	(388.8)
Dividends to noncontrolling interests	—	—	—	—	—	—	(2.3)	(2.3)
Share-based compensation	—	13.3	—	—	—	13.3	—	13.3
Issuance of treasury shares for stock option and award plans	—	0.1	—	—	2.1	2.2	—	2.2
Investments by noncontrolling interests(A)	—	—	—	—	—	—	563.3	563.3
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—
Other equity transactions	—	0.1	(1.2)	—	—	(1.1)	29.3	28.2
Balance at 30 June 2023	$249.4	$1,176.9	$16,986.9	($2,304.8)	($1,970.4)	$14,138.0	$1,232.7	$15,370.7

(A) Reflects noncash activity related to the NEOM Green Hydrogen Company joint venture. Refer to Note 3, *Variable Interest Entities*, for additional information.

	Three Months Ended 30 June 2022							
(Millions of U.S. Dollars, except for per share data)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Air Products Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at 31 March 2022	$249.4	$1,120.8	$16,075.9	($1,505.6)	($1,985.4)	$13,955.1	$555.6	$14,510.7
Net income	—	—	582.1	—	—	582.1	5.0	587.1

Other comprehensive loss	—	—	—	(545.0)	—	(545.0)	(18.2)	(563.2)
Dividends on common stock (per share $1.62)	—	—	(359.3)	—	—	(359.3)	—	(359.3)
Share-based compensation	—	9.9	—	—	—	9.9	—	9.9
Issuance of treasury shares for stock option and award plans	—	0.1	—	—	1.8	1.9	—	1.9
Investments by noncontrolling interests	—	—	—	—	—	—	29.4	29.4
Other equity transactions	—	—	(0.8)	—	—	(0.8)	—	(0.8)
Balance at 30 June 2022	$249.4	$1,130.8	$16,297.9	($2,050.6)	($1,983.6)	$13,643.9	$571.8	$14,215.7

The accompanying notes are an integral part of these statements.

Air Products and Chemicals, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Millions of U.S. Dollars, unless otherwise indicated

1. BASIS OF PRESENTATION AND MAJOR ACCOUNTING POLICIES

As used in this report, unless the context indicates otherwise, the terms “we,” “our,” “us,” the “Company,” "Air Products," or “registrant” include our controlled subsidiaries and affiliates.

Basis of Presentation

The interim consolidated financial statements of Air Products and Chemicals, Inc. and its subsidiaries (“we,” “our,” “us,” the “Company,” “Air Products,” or “registrant”) included herein have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such rules and regulations. In our opinion, the accompanying statements reflect adjustments necessary to fairly present the financial position, results of operations, and cash flows for those periods indicated and contain adequate disclosures to make the information presented not misleading. Adjustments included herein are of a normal, recurring nature unless otherwise disclosed in the notes to the interim consolidated financial statements.

To fully understand the basis of presentation, the interim consolidated financial statements and related notes included herein should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended 30 September 2022 2023 (the "2022 2023 Form 10-K"), which was filed with the SEC on 22 16 November 2022. 2023. Results of operations for interim periods are not necessarily indicative of the results of operations for a full year.

Major Accounting Policies

Refer to our 2022 2023 Form 10-K for a description of major accounting policies. There have been no significant changes to these accounting policies during the first nine three months of fiscal year 2023.

Risks and Uncertainties

We are subject to various risks and uncertainties, including, but not limited to, those resulting from inflationary pressures. Our results of operations for the periods covered by this report were not materially impacted by these events; however, there is uncertainty regarding how these events and others may affect our business, results of operations, and overall financial performance.

Reclassifications

Beginning in the first quarter of fiscal year 2023, we present "Operating lease right-of-use assets, net" and "Noncurrent operating lease liabilities" in separate captions on our consolidated balance sheets. These balances were previously presented within "Other noncurrent assets" and "Other noncurrent liabilities," respectively. Our balance sheet as of 30 September 2022 has been reclassified to conform to the fiscal year 2023 presentation. 2024.

2. NEW ACCOUNTING GUIDANCE

New Accounting Guidance to be Implemented

Government Assistance Reportable Segment Disclosures

In November 2021, 2023, the Financial Accounting Standards Board ("FASB" (“FASB”) issued disclosure guidance Accounting Standard Update (“ASU”) No. 2023-07, "Segment Reporting (Topic 280): Improvements to increase Reportable Segment Disclosures". The update includes enhanced disclosures about significant segment expenses and identification of the transparency of transactions an entity has with a government that are accounted chief operating decision maker. The update will be effective in our Annual Report on Form 10-K for by applying a grant or contribution accounting model. the fiscal year ending 30 September 2025 as well as interim periods thereafter, although early adoption is permitted. The amendments must be applied retrospectively to all prior periods presented. We are evaluating the impact this guidance update will have on our annual disclosures.

Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740)—Improvements to Income Tax Disclosures” to expand income tax disclosures, to our consolidated financial statements. We primarily through disaggregation requirements for the rate reconciliation and income taxes paid. The update will adopt this guidance prospectively be effective in our Annual Report on Form 10-K for the fiscal year 2023.

Reference Rate Reform

In March 2020, the FASB issued an update to provide practical expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. This update ending 30 September 2026, although early adoption is primarily applicable to our contracts and hedging relationships that reference the London Inter-Bank Offered Rate ("LIBOR"). In December 2022, the FASB extended the date through which the permitted. The amendments may should be applied to impacted contracts and hedges to 31 December 2024. on a prospective basis with a retrospective option. We amended are evaluating the impact this update will have on our remaining interest rate swaps that referenced LIBOR to use a daily compounded Secured Overnight Financing Rate. There were no financial statement impacts from the amendment. disclosures.

3. VARIABLE INTEREST ENTITIES

We are the primary beneficiary of the NEOM Green Hydrogen Company joint venture ("NGHC"), which is a variable interest entity ("VIE") that is consolidated in our Middle East and India segment. We are not the primary beneficiary of any other material VIEs. We account for a VIE for which we have an equity interest and exercise significant influence but are not the primary beneficiary, such as the Jazan Integrated Gasification and Power Company joint venture ("JIGPC"), as an equity method investment. For additional information on JIGPC, refer to Note 7, *Equity Affiliates*.

The table below summarizes balances associated with NGHC as reflected on our consolidated balance sheets. For additional information on this joint venture, refer to the "NEOM Green Hydrogen Project" section that follows.

	30 June 2023	30 September 2022
Assets		
Cash and cash items	$87.8	$274.7
Trade receivables, net	—	1.3
Prepaid expenses	5.0	0.1
Other receivables and current assets	108.5	23.3
Total current assets	**$201.3**	**$299.4**
Plant and equipment, net	1,031.4	218.8
Operating lease right-of-use assets, net	226.8	—
Other noncurrent assets	161.7	1.5
Total noncurrent assets	**$1,419.9**	**$220.3**
Total assets	**$1,621.2**	**$519.7**
Liabilities		
Payables and accrued liabilities	$474.7	$58.1
Accrued income taxes	0.1	—
Total current liabilities	**$474.8**	**$58.1**
Long-term debt – related party(A)	—	447.3
Noncurrent operating lease liabilities	17.9	—
Other noncurrent liabilities	2.6	1.4
Deferred income taxes	1.3	—
Total noncurrent liabilities	**$21.8**	**$448.7**
Total liabilities	**$496.6**	**$506.8**
Accumulated other comprehensive income	$4.0	$—
Noncontrolling interests(A)	605.1	30.0

(A) During the third first quarter of fiscal year 2023, outstanding shareholder loans to 2024, we determined that World Energy, LLC ("World Energy") is a VIE for which we have no equity interest and are not the primary beneficiary. Our variable interests in NGHC, were converted to equity in the entity. Accordingly, related party debt outstanding was reclassified to investments attributable to the noncontrolling partner of NGHC. This noncash activity is presented within "Investments by noncontrolling interests" on our consolidated statements of equity for the three JIGPC, and nine months ended 30 June 2023.World Energy are further discussed below.

NGHC Joint Venture

NEOM Green Hydrogen Project

In the fourth quarter of fiscal year 2020, we announced the The NEOM Green Hydrogen Project (the "NEOM project"), is a multi-billion dollar green hydrogen-based ammonia production facility that is being constructed in NEOM City, Saudi Arabia. Owned and operated by NGHC, the facility will be powered by renewable energy in the NEOM city of the Kingdom of Saudi Arabia.We, along with our joint venture partners, ACWA Power and NEOM Company, are equal owners in NGHC, which will develop, construct, own, operate, and finance the project.

During the third quarter of fiscal year 2022, we entered into an interim agreement with NGHC under which we commenced construction of the NEOM project. In addition, we executed an agreement with NGHC under which we will be to produce green ammonia for Air Products as the exclusive offtaker of green ammonia produced by the NEOM project under a long-term take-if-tendered agreement. In May 2023, NGHC finalized the $6.7 billion engineering, procurement, and construction ("EPC") agreement with Air Products named as the contractor and system integrator for the facility. The NEOM project is expected to be on-stream in 2026. We intend to transport the green ammonia around the world to be dissociated to produce green hydrogen for transportation and industrial markets.

In May 2023, NGHC finalized the $6.7 billion engineering, procurement, and construction ("EPC") agreement with Air Products has named as the main contractor and system integrator for the facility. NGHC secured non-recourse project financing of approximately $6.1 billion, which is expected to fund about 73% of the project and will be drawn over the construction period. At the same time, NGHC secured additional non-recourse credit facilities totaling approximately $500 primarily for working capital needs.Under the financing, the assets of NGHC can only be used to settle obligations of the joint venture, and creditors of NGHC do not have recourse to the general credit of Air Products. Borrowings under the financing are reflected net of unamortized discounts and debt issuance costs within "Long-term debt" on our consolidated balance sheets. Principal borrowings totaled $2,129.4 and $1,364.8 as of 31 December 2023 and 30 September 2023, respectively. The increase from 30 September 2023 primarily relates to principal borrowings of approximately $620 as of 31 December 2023 on a 2.00% fixed-rate Saudi Riyal loan facility that matures in November 2040.

Air Products is an equal owner in NGHC with our joint venture partners, ACWA Power and NEOM Company. While we only hold one-third of the voting interests in the NGHC joint venture; however, venture, substantially all the activities of the joint venture involve or are conducted on behalf of Air Products. Since we have disproportionately few voting rights relative to our economic interests in the joint venture, we determined that NGHC is a variable interest entity. VIE. In addition, we determined that we are the primary beneficiary of NGHC since we have the power to unilaterally direct certain significant activities, including key design and construction decisions, and we share power with our joint venture partners related to other activities that are significant to the economic performance of NGHC. Therefore, we consolidate NGHC within the Middle East and India segment.

In May 2023,

The table below summarizes balances associated with NGHC secured non-recourse as reflected on our consolidated balance sheets:

	31 December 2023	30 September 2023
Assets		
Cash and cash items	$402.3	$78.2
Trade receivables, net	14.6	—
Prepaid expenses	30.5	21.4
Other receivables and current assets	183.3	181.6
Total current assets	**$630.7**	**$281.2**
Plant and equipment, net	1,831.6	1,396.1
Operating lease right-of-use assets, net	227.7	228.9
Other noncurrent assets	61.8	350.6
Total noncurrent assets	**$2,121.1**	**$1,975.6**
Total assets	**$2,751.8**	**$2,256.8**
Liabilities		
Payables and accrued liabilities	$207.0	$141.0
Accrued income taxes	2.2	0.6
Total current liabilities	**$209.2**	**$141.6**
Long-term debt	1,930.4	1,274.4
Noncurrent operating lease liabilities	19.2	18.9
Other noncurrent liabilities	3.3	2.1
Deferred income taxes	4.0	24.1
Total noncurrent liabilities	**$1,956.9**	**$1,319.5**
Total liabilities	**$2,166.1**	**$1,461.1**

Equity		
Accumulated other comprehensive income	$15.8	$77.7
Noncontrolling interests	580.1	723.6

JIGPC Joint Venture

JIGPC is a joint venture with Saudi Aramco Power Company (a subsidiary of Aramco), ACWA Power, and Air Products Qudra ("APQ"). JIGPC entered into project financing to purchase power blocks, gasifiers, air separation units, syngas cleanup assets, and utilities to supply electricity, steam, hydrogen, and utilities to Aramco's refinery and terminal complex under a 25-year agreement, which commenced in the first quarter of approximately $6.1 billion, which is expected to fund about 73% fiscal year 2022. JIGPC recorded financing receivables upon acquisition of the project assets and recognizes financing income over the construction period. Under this supply term.

We determined JIGPC is a VIE for which we exercise significant influence but are not the primary beneficiary as we do not have the power to direct the activities that are most significant to its economic performance. Instead, these activities, including plant dispatch, operating and maintenance decisions, budgeting, capital expenditures, and financing, require unanimous approval of the assets owners or are controlled by the customer. Accordingly, we account for our 55% investment, which includes 4% that is attributable to the noncontrolling partner of NGHC can only be used APQ, under the equity method within the Middle East and India segment. The carrying value of our investment, including amounts attributable to settle obligations noncontrolling interests, totaled $2,828.3 and $2,862.2 as of 31 December 2023 and 30 September 2023, respectively. Our loss exposure is limited to our investment in the joint venture.

Our investment primarily consists of shareholder loans that qualify as in-substance common stock in the joint venture. Certain shareholders receive a preferred cash distribution pursuant to the joint venture agreement, which specifies each shareholder's share of income after considering the amount of cash available for distribution. As such, the earnings attributable to Air Products may not be proportionate to our ownership interest in the venture.

World Energy

In November 2023, we finalized an agreement to purchase a sustainable aviation fuel ("SAF") facility in Paramount, California from World Energy. We determined the acquisition contains an embedded sales-type lease. As a result, we are accounting for the transaction as a financing arrangement and creditors recorded a financing receivable of NGHC $210 as of 31 December 2023. We provided the remaining $90 million of financing available under this arrangement to World Energy in January 2024.

At the time of acquisition, we entered into a Master Project Agreement ("MPA") containing terms for operation of the acquired facility as well as amended terms for the construction and operation of an SAF expansion project subject to construction at the same location. The MPA includes a tolling arrangement whereby we will receive feedstock from and produce renewable fuels for World Energy over a term that will conclude 15 years after onstream of the expansion project with the option to renew for two five-year terms.

During the first quarter of fiscal year 2024, we determined that World Energy is a VIE and our financing receivable represents a variable interest in World Energy. We are not the primary beneficiary as we do not have recourse to the general credit control over their key operating decisions, including feedstock supply, production of Air Products. renewable fuels, and negotiating and executing supply agreements with customers. As of 30 June 31 December 2023, no borrowings were outstanding. However, we established an accrual of approximately $125 for financing fees that are eligible for deferral as a noncurrent asset on our balance sheet until borrowings are outstanding, at which time we will reclassify the unamortized balance as an offset to the debt. The recognition of deferred financing fees was a noncash transaction which had no impact on our consolidated statement of cash flows for the nine months ended 30 June 2023. In July 2023, the joint venture completed its first drawdown on the project financing of $1.3 billion.

As a condition of the project financing, Air Products issued performance guarantees that would require payment in the event of nonperformance in our role as EPC contractor. We estimate our maximum exposure to be loss is approximately $1.2 $1.9 billion. This includes project-related spending of $1.3 billion which will decline over time before expiring in November 2028.

The facility that is being constructed on land owned by our joint venture partner, NEOM Company, primarily capitalized within "Plant and equipment, net" and approximately $350 for which NGHC signed a 50-year lease agreement. The land lease commenced during the third quarter of fiscal year 2023 due to completion of the project financing. Accordingly, we recorded an operating lease with a noncash right-of-use asset and corresponding liability of $223 for the lease, open purchase commitments, both of which $209 is reflected within "Payables and accrued liabilities" for a lump-sum payment that we expect relate to complete in the fourth quarter of fiscal year 2023. Additional payments under the lease will occur after the first 30 years of the lease term.

4. BUSINESS AND ASSET ACTIONS

During the three and nine months ended 30 June 2023, we recorded charges of $59.0 ($51.2 attributable to Air Products after tax) and $244.6 ($204.9 attributable to Air Products after tax), respectively, for strategic business and asset actions intended to optimize costs and focus resources on our growth projects. These actions included position eliminations and restructuring of certain organizations globally SAF expansion project, as well as $300 for our investment in the exit from certain projects associated with our Asia and Europe segments that were previously under construction.

The charges for these periods, which were not recorded in segment results, included noncash charges of $32.0 and $217.6, respectively, to write-off certain assets, including those related to our withdrawal from coal gasification in Indonesia as well as a project in Ukraine that was permanently suspended due to Russia's invasion of the country. The charge also included an expense of $27.0 recorded during the third quarter for severance and other benefits payable to approximately 450 employees. The table below summarizes the carrying amount of the accrual for unpaid benefits as of 30 June 2023, which we expect to substantially pay over the next twelve months.

Charge for severance and other benefits	$27.0
Cash expenditures	(2.3)
Amount reflected in "Payables and accrued liabilities" as of 30 June 2023	$24.7

financing receivables discussed above.

5. 4. REVENUE RECOGNITION

The majority of our revenue is generated from our sale of gas customers within the regional industrial gases segments. We distribute gases through either our on-site or merchant supply mode depending on various factors, including the customer's volume requirements and location. We also design and manufacture equipment for air separation, hydrocarbon recovery and purification, natural gas liquefaction, and liquid helium and liquid hydrogen transport and storage. The Corporate and other segment serves our sale of equipment customers.

Disaggregation of Revenue

The tables below present our consolidated sales disaggregated by supply mode for each of our reportable segments for the third quarter and first nine three months of fiscal years 2023 2024 and 2022. 2023. We believe this presentation best depicts the nature, timing, type of customer, and contract terms for our sales.

Three Months Ended 31 December 2023

Americas | Americas | Asia | Euro

		Three Months Ended 30 June 2023																
		Americas	Asia	Europe	Middle East and India	Corporate and other	Total	%										
2023																		
On-site																		
On-site																		
																		$
On-site	On-site	$704.1	$496.8	$220.5	$16.9	$—	$1,438.3	47 %		$714.1	$503.2	$503.2	$259.2	$259.2	$17.5	$17.5	$—	—
Merchant	Merchant	556.6	326.1	486.1	22.8	—	1,391.6	46 %	Merchant	538.0	290.6	290.6	472.0	472.0	17.9	17.9	—	
Sale of equipment	Sale of equipment	—	—	—	—	204.0	204.0	7 %	Sale of equipment	—	—	—	—	—	—	—	184.9	
Total	**Total**	$1,260.7	$822.9	$706.6	$39.7	$204.0	$3,033.9	100 %	**Total**	$1,252.1	$793.8	$793.8	$731.2	$731.2	$35.4	$35.4	$184.9	

		Three Months Ended 30 June 2022						
		Three Months Ended 31 December 2022						
		Three Months Ended 31 December 2022						
		Americas	Asia	Europe	Middle East and India	Corporate and other	Total	%
2022								
		Three Months Ended 31 December 2022						
		Americas						
		Americas						
		Americas	Asia	Europe	Middle East and India			
On-site								
On-site								

On-site	On-site	$899.5	$446.2	$281.8	$18.8	$—	$1,646.3	51 %		$845.8	$457.7	$457.7		$328.1	$328.1		$18.8	$18.8		$—	$ —	
Merchant	Merchant	516.8	305.2	457.8	16.6	—	1,296.4	41 %	Merchant		538.4		320.1	320.1		463.8	463.8		22.6	22.6		—
Sale of equipment	Sale of equipment	—	—	—	—	246.6	246.6	8 %	Sale of equipment		—		—	—		—	—		—	—		179.4
Total	**Total**	$1,416.3	$751.4	$739.6	$35.4	$246.6	$3,189.3	100 %	**Total**		$1,384.2		$777.8	$777.8		$791.9	$791.9		$41.4	$41.4		$179.4

Interest income associated with financing and lease arrangements accounted for approximately 1% of our total consolidated sales during the three months ended 31 December 2023.

	Nine Months Ended 30 June 2023						
	Americas	Asia	Europe	Middle East and India	Corporate and other	Total	%
2023							
On-site	$2,351.8	$1,444.8	$808.0	$58.5	$—	$4,663.1	50 %
Merchant	1,666.2	969.8	1,443.4	67.4	—	4,146.8	44 %
Sale of Equipment	—	—	—	—	598.8	598.8	6 %
Total	$4,018.0	$2,414.6	$2,251.4	$125.9	$598.8	$9,408.7	100 %

	Nine Months Ended 30 June 2022						
	Americas	Asia	Europe	Middle East and India	Corporate and other	Total	%
2022							
On-site	$2,432.1	$1,358.2	$899.4	$52.4	$—	$4,742.1	52 %
Merchant	1,394.9	924.8	1,323.0	35.6	—	3,678.3	40 %
Sale of Equipment	—	—	—	—	708.2	708.2	8 %
Total	$3,827.0	$2,283.0	$2,222.4	$88.0	$708.2	$9,128.6	100 %

Remaining Performance Obligations

As of 30 June 31 December 2023, the transaction price allocated to remaining performance obligations is estimated to be approximately $24 billion $27 billion. This amount includes fixed-charge contract provisions associated with our on-site and sale of equipment supply modes. We estimate that approximately half of this revenue will be recognized over the next five years and the balance thereafter.

Our remaining performance obligations do not include (1) expected revenue associated with new on-site plants that are not yet on-stream; (2) consideration associated with contracts that have an expected duration of less than one year; and (3) variable consideration for which we recognize revenue at the amount to which we have the right to invoice, including energy cost pass-through to customers.

In the future, actual amounts will differ due to events outside of our control, including, but not limited to, inflationary price escalations; currency exchange rates; and amended, terminated, or renewed contracts.

Contract Balances

The table below details balances arising from contracts with customers:

		30 June	30 September
	Balance Sheet Location	2023	2022
		31 December	
		31 December	
		31 December	30 September
Balance Sheet Location	Balance Sheet Location		2023

Assets	Assets			
Contract assets – current				
Contract assets – current				
Contract assets – current	Contract assets – current	Other receivables and current assets	$70.5	$69.0
Contract fulfillment costs – current	Contract fulfillment costs – current	Other receivables and current assets	106.4	84.1
Liabilities	**Liabilities**			
Contract liabilities – current	Contract liabilities – current	Payables and accrued liabilities	$473.6	$439.1
Contract liabilities – current				
Contract liabilities – current				
Contract liabilities – noncurrent	Contract liabilities – noncurrent	Other noncurrent liabilities	132.1	67.2

Changes to our current contract balances primarily relate to our sale of equipment contracts. During the first nine three months of fiscal year 2023, 2024, we recognized sales of approximately $250 $115 associated with sale of equipment contracts that were included within our current contract liabilities as of 30 September 2022.

2023.

6. 5. INVENTORIES

The components of inventories are as follows:

		30 June 2023	30 September 2022	
	31 December 2023		31 December 2023	30 September 2023
Finished goods	Finished goods	$230.1	$162.0	
Work in process	Work in process	25.7	22.0	
Raw materials, supplies, and other	Raw materials, supplies, and other	408.1	330.2	
Inventories	Inventories	$663.9	$514.2	

7. EQUITY AFFILIATES

Equity Affiliate Investment in Jazan Integrated Gasification and Power Company

On 27 October 2021, we made an initial investment of $1.6 billion to acquire a 55% ownership interest in the Jazan Integrated Gasification and Power Company ("JIGPC") joint venture, of which 4% is attributable to the noncontrolling partner of Air Products Qudra (“APQ”). We completed a second investment of $908 on 19 January 2023, which did not change our ownership interest. As of 30 June 2023, the carrying value of our investment totaled $2,756.8 and is presented as “Investments in net assets of and advances to equity affiliates” on our consolidated balance sheet. Our loss exposure is limited to our investment in the joint venture.

Our investments were made primarily in the form of shareholder loans that qualify as in-substance common stock in the joint venture and were executed according to the timing of the joint venture's purchase of project assets, which is being completed in phases. The amounts invested included approximately $130 and $73 received from the noncontrolling partner of APQ for the first and second investment, respectively. We expect to complete a remaining investment of approximately $115 for additional assets to be purchased by the joint venture later this calendar year.

We determined JIGPC is a variable interest entity for which we are not the primary beneficiary as we do not have the power to direct the activities that are most significant to the economic performance of the joint venture. Instead, these activities, including plant dispatch, operating and maintenance decisions, budgeting, capital expenditures, and financing, require unanimous approval of the owners or are controlled by the customer. Since we have the ability to exercise significant influence in the joint venture, we accounted for our investment in JIGPC under the equity method within the Middle East and India segment beginning in the first quarter of fiscal year 2022.

Certain shareholders receive a preferred cash distribution pursuant to the joint venture agreement, which specifies each shareholder’s share of income after considering the amount of cash available for distribution. As such, the earnings attributable to Air Products may not be proportionate to our ownership interest in the venture.

Additional information on the JIGPC joint venture is provided below.

JIGPC Joint Venture

JIGPC is a joint venture with Saudi Aramco Power Company (a subsidiary of Aramco), ACWA Power, and APQ in the Jazan Economic City, Saudi Arabia. On 27 September 2021, JIGPC signed definitive agreements for the acquisition of project assets from Aramco for $12 billion and entered into related project financing for the purchase of the project assets, which include power blocks, gasifiers, air separation units, syngas cleanup assets, and utilities, in multiple phases. The first phase was completed on 27 October 2021 for $7.39 billion, and the second phase was completed for $4.15 billion on 19 January 2023. We expect JIGPC to acquire additional assets totaling approximately $525 later this calendar year. JIGPC will commission, operate, and maintain the project assets to supply electricity, steam, hydrogen, and utilities to Aramco’s refinery and terminal complex under a 25-year agreement, which commenced in the first quarter of fiscal year 2022. JIGPC recorded financing receivables upon acquisition of the assets and is recognizing financing income over the supply term.

Jazan Gas Project Company

Jazan Gas Project Company (“JGPC”), a joint venture between Air Products and ACWA Holding, entered into a 20-year oxygen and nitrogen supply agreement in 2015 to supply Aramco’s oil refinery and power plant in Jazan, Saudi Arabia.

In October 2021, the supply agreement between JGPC and Aramco was terminated, and JGPC sold its air separation units to Aramco. We initially sold these assets to JGPC and deferred profit proportionate to our ownership in the joint venture. With the termination of the supply agreement and sale of the air separation units complete, we recognized the remaining deferred profit, net of other project finalization costs, in equity affiliates’ income in the first quarter of fiscal year 2022.

8. 6. GOODWILL

Changes to the carrying amount of consolidated goodwill by segment for the nine three months ended 30 June 31 December 2023 are as follows:

	Americas	Asia	Europe	Middle East and India	Corporate and other	Total
Goodwill, net at 30 September 2022	$143.2	$172.7	$457.5	$15.8	$33.8	$823.0
Currency translation and other	8.3	0.7	59.5	—	0.1	68.6
Goodwill, net at 30 June 2023	$151.5	$173.4	$517.0	$15.8	$33.9	$891.6

	Americas	Asia	Europe	Middle East and India	Corporate and other	Total
Goodwill, net as of 30 September 2023	$146.6	$171.9	$493.5	$15.8	$33.9	$861.7
Currency translation	0.6	3.4	33.5	—	0.2	37.7
Goodwill, net as of 31 December 2023	$147.2	$175.3	$527.0	$15.8	$34.1	$899.4

		30 June 2023	30 September 2022
	31 December 2023	31 December 2023	30 September 2023
Goodwill, gross	Goodwill, gross	$1,222.8	$1,096.0

Accumulated impairment losses(A)	Accumulated impairment losses(A)	(331.2)	(273.0)
Goodwill, net	Goodwill, net	$891.6	$823.0

(A) Accumulated We recorded impairment losses are attributable charges related to our the Latin America reporting unit ("LASA") within in the Americas segment in fiscal years 2017 and include the impact 2014. The balance of accumulated impairment losses fluctuates over time due to currency translation.

We review goodwill for impairment annually in the fourth quarter of the fiscal year and whenever events or changes in circumstances indicate that the carrying value of goodwill might not be recoverable.

9. 7. FINANCIAL INSTRUMENTS

Currency Price Risk Management

Our earnings, cash flows, and financial position are exposed to foreign currency risk from foreign currency-denominated transactions and net investments in foreign operations. It is our policy to seek to minimize our cash flow volatility from changes in currency exchange rates. This is accomplished by identifying and evaluating the risk that our cash flows will change in value due to changes in exchange rates and by executing strategies necessary to manage such exposures. Our objective is to maintain economically balanced currency risk management strategies that provide adequate downside protection.

Forward Exchange Contracts

We enter into forward exchange contracts to reduce the cash flow exposure to foreign currency fluctuations associated with highly anticipated cash flows and certain firm commitments, such as the purchase of plant and equipment. We also enter into forward exchange contracts to hedge the cash flow exposure on intercompany loans and third-party debt. This portfolio of forward exchange contracts consists primarily of Euros and U.S. Dollars. The maximum remaining term of any forward exchange contract currently outstanding and designated as a cash flow hedge at 30 June 31 December 2023 is 3.0 2.9 years.

Forward exchange contracts are also used to hedge the value of investments in certain foreign subsidiaries and affiliates by creating a liability in a currency in which we have a net equity position. The primary currency pair in this portfolio of forward exchange contracts is Euros and U.S. Dollars.

We also utilize forward exchange contracts that are not designated as hedges. These contracts are used to economically hedge foreign currency-denominated monetary assets and liabilities, primarily working capital. The primary objective of these forward exchange contracts is to protect the value of foreign currency-denominated monetary assets and liabilities from the effects of volatility in foreign exchange rates that might occur prior to their receipt or settlement. This portfolio of forward exchange contracts consists of many different multiple foreign currency pairs, with a profile that changes from time to time depending on our business activity and sourcing decisions.

The table below summarizes our outstanding currency price risk management instruments:

		30 June 2023		30 September 2022			31 December 2023			31 December 2023		30 September 2023	
		US$ Notional	Years Average Maturity	US$ Notional	Years Average Maturity		US$ Notional			US$ Notional	Years Average Maturity	US$ Notional	Years Average Maturity
Forward Exchange Contracts:	**Forward Exchange Contracts:**												
Cash flow hedges													
Cash flow hedges													
Cash flow hedges	Cash flow hedges	$4,208.1	0.6	$4,525.0	0.7		$4,658.6	0.6	0.6	$4,463.2	0.7		0.7
Net investment hedges	Net investment hedges	860.9	2.7	542.2	2.2	Net investment hedges	898.5	2.3	2.3	864.0	2.5		2.5
Not designated	Not designated	608.0	0.3	534.3	0.3	Not designated	585.1	0.3	0.3	709.4	0.3		0.3

Total Forward Exchange Contracts	**Total Forward Exchange Contracts**	$5,677.0	0.9	$5,601.5	0.8	**Total Forward Exchange Contracts**	$6,142.2	0.8	0.8	$6,036.6	0.9	0.9

We also use foreign currency-denominated debt to hedge the foreign currency exposures of our net investment in certain foreign subsidiaries. The designated foreign currency-denominated debt and related accrued interest was €1,942.2 million €1,930.7 million ($2,118.7) 2,131.3) at 30 June 31 December 2023 and €1,265.4 million €1,938.6 million ($1,240.4) 2,049.7) at 30 September 2022. 2023. The designated foreign currency-denominated debt is presented within "Long-term debt" on the consolidated balance sheets.

Debt Portfolio Management

It is our policy to identify, on a continuing basis, the need for debt capital and to evaluate the financial risks inherent in funding the Company with debt capital. Reflecting the result of this ongoing review, we manage our debt portfolio and hedging program with the intent to (1) reduce funding risk with respect to borrowings made by us to preserve our access to debt capital and provide debt capital as required for funding and liquidity purposes, and (2) manage the aggregate interest rate risk and the debt portfolio in accordance with certain debt management parameters.

Interest Rate Management Contracts

We enter into interest rate swaps to change the fixed/variable interest rate mix of our debt portfolio in order to maintain the percentage of fixed- and variable-rate debt within the parameters set by management. In accordance with these parameters, the agreements are used to manage interest rate risks and costs inherent in our debt portfolio. Our interest rate management portfolio generally consists of fixed-to-floating interest rate swaps (which are designated as fair value hedges), pre-issuance interest rate swaps and treasury locks (which hedge the interest rate risk associated with anticipated fixed-rate debt issuances and are designated as cash flow hedges), and floating-to-fixed interest rate swaps (which are designated as cash flow hedges). As of 30 June 31 December 2023, the outstanding interest rate swaps were denominated in U.S. Dollars. The notional amount of the interest rate swap agreements is equal to or less than the designated debt being hedged. When interest rate swaps are used to hedge variable-rate debt, the indices of the swaps and the debt to which they are designated are the same. It is our policy not to enter into any interest rate management contracts which lever a move in interest rates on a greater than one-to-one basis. In May 2023, NGHC entered into floating-to-fixed interest rate swaps that are designated as cash flow hedges in connection with the non-recourse project financing secured by the joint venture. Refer to Note 3, Variable Interest Entities, for additional information.

Cross Currency Interest Rate Swap Contracts

We enter into cross currency interest rate swap contracts when our risk management function deems necessary. These contracts may entail both the exchange of fixed- and floating-rate interest payments periodically over the life of the agreement and the exchange of one currency for another currency at inception and at a specified future date. The contracts are used to hedge either certain net investments in foreign operations or non-functional currency cash flows related to intercompany loans. The current cross currency interest rate swap portfolio consists of fixed-to-fixed swaps primarily between the U.S. Dollar and each of the Chinese Renminbi, Indian Rupee, and Chilean Peso.

The table below summarizes our outstanding interest rate management contracts and cross currency interest rate swaps:

		30 June 2023				30 September 2022									
		US$ Notional	Average Pay %	Average Receive %	Years Average Maturity	US$ Notional	Average Pay %	Average Receive %	Years Average Maturity						
		31 December 2023										31 De			
		US$ Notional										US$ Notional	Average Pay %	Average Receive %	Years Average Maturity
Interest rate swaps (fair value hedge)	Interest rate swaps (fair value hedge)	$800.0	Various	1.64 %	4.2	$800.0	Various	1.64 %	5.0	Interest rate swaps (fair value hedge)	$800.0	SOFR	SOFR	1.64 %	3.7
Interest rate swaps (cash flow hedge)	Interest rate swaps (cash flow hedge)	$1,006.7	2.82 %	SOFR	22.3	$—	— %	— %	0.0	Interest rate swaps (cash flow hedge)	$1,371.4	2.82	2.82 %	SOFR	21.9
Cross currency interest rate swaps (net investment hedge)	Cross currency interest rate swaps (net investment hedge)	$152.8	3.92 %	3.02 %	0.8	$176.7	4.12 %	3.07 %	1.2	Cross currency interest rate swaps (net investment hedge)	$37.3	3.67	3.67 %	3.69 %	0.5

Cross currency interest rate swaps (cash flow hedge)	Cross currency interest rate swaps (cash flow hedge)	$630.3	4.75 %	3.05 %	2.1	$785.7	4.78 %	3.05 %	2.3	Cross currency interest rate swaps (cash flow hedge)	$569.2	4.95		4.95 %		3.23 %		2.0
Cross currency interest rate swaps (not designated)	Cross currency interest rate swaps (not designated)	$17.6	5.39 %	3.54 %	0.5	$37.7	5.39 %	3.54 %	1.2	Cross currency interest rate swaps (not designated)	$36.6	5.39		5.39 %		3.64 %		1.0

The table below provides the amounts recorded on the consolidated balance sheet related to cumulative basis adjustments for fair value hedges:

		Carrying amounts of hedged item		Cumulative hedging adjustment, included in carrying amount	
		30 June	30 September	30 June	30 September
Balance Sheet Location	Balance Sheet Location	2023	2022	2023	2022
Long-term debt	Long-term debt	$2,017.9	$2,012.9	($73.5)	($77.1)

	Carrying amounts of hedged item	Carrying amounts of hedged item		Cumulative hedging adjustment, included in carrying amount	
	31 December	31 December	30 September	31 December	30 September
Balance Sheet Location		2023	2023	2023	
Long-term debt					
Long-term debt					

The table below summarizes the fair value and balance sheet location of our outstanding derivatives:

		Balance Sheet Location	30 June 2023	30 September 2022	Balance Sheet Location	30 June 2023	30 September 2022
Derivatives Designated as Hedging Instruments:	**Derivatives Designated as Hedging Instruments:**						
Forward exchange contracts	Forward exchange contracts	Other receivables and current assets	$76.7	$71.6	Payables and accrued liabilities	$64.9	$226.2
Interest rate management contracts	Interest rate management contracts	Other receivables and current assets	15.9	36.7	Payables and accrued liabilities	0.2	—

Balance Sheet Location	Balance Sheet Location	31 December	30 September	Balance Sheet Location	31 December	30 September
	Location	2023		Location	2023	
Forward exchange contracts						
Forward exchange contracts						

Forward exchange contracts	Forward exchange contracts	Other noncurrent assets	13.5	60.8	Other noncurrent liabilities	21.1	46.9
Interest rate management contracts	Interest rate management contracts	Other noncurrent assets	25.1	12.5	Other noncurrent liabilities	82.6	91.2
Total Derivatives Designated as Hedging Instruments	**Total Derivatives Designated as Hedging Instruments**		$131.2	$181.6		$168.8	$364.3
Derivatives Not Designated as Hedging Instruments:	**Derivatives Not Designated as Hedging Instruments:**						
Forward exchange contracts	Forward exchange contracts	Other receivables and current assets	5.7	6.1	Payables and accrued liabilities	5.5	2.1
Forward exchange contracts							
Forward exchange contracts							
Interest rate management contracts	Interest rate management contracts	Other receivables and current assets	1.3	—	Payables and accrued liabilities	—	—
Forward exchange contracts	Forward exchange contracts	Other noncurrent assets	—	0.1	Other noncurrent liabilities	—	0.1
Interest rate management contracts		Other noncurrent assets	—	1.3	Other noncurrent liabilities	—	—
Total Derivatives Not Designated as Hedging Instruments							
Total Derivatives Not Designated as Hedging Instruments							
Total Derivatives Not Designated as Hedging Instruments	**Total Derivatives Not Designated as Hedging Instruments**		$7.0	$7.5		$5.5	$2.2
Total Derivatives	**Total Derivatives**		$138.2	$189.1		$174.3	$366.5

Refer to Note 10, 8, *Fair Value Measurements*, which defines fair value, describes the method for measuring fair value, and provides additional disclosures regarding fair value measurements.

The tables below summarize gains (losses) recognized in other comprehensive income during the period related to our net investment and cash flow hedging relationships:

	Three Months Ended 30 June	Nine Months Ended 30 June

		2023	2022	2023	2022

Three Months Ended
Three Months Ended
Three Months Ended
31 December
31 December
31 December
2023
2023
2023

Net Investment Hedging Relationships

Net Investment Hedging Relationships

Net Investment Hedging Relationships	**Net Investment Hedging Relationships**				
Forward exchange contracts	Forward exchange contracts	($8.2)	$45.7	($70.6)	$56.0

Forward exchange contracts
Forward exchange contracts
Foreign currency debt
Foreign currency debt

Foreign currency debt	Foreign currency debt	(14.2)	76.2	(165.1)	143.2
Cross currency interest rate swaps	Cross currency interest rate swaps	4.4	13.1	(9.4)	3.4

Cross currency interest rate swaps
Cross currency interest rate swaps

Total Amount Recognized in OCI

Total Amount Recognized in OCI

Total Amount Recognized in OCI	**Total Amount Recognized in OCI**	(18.0)	135.0	(245.1)	202.6
Tax effects	Tax effects	4.4	(33.5)	60.2	(50.2)

Tax effects
Tax effects

Net Amount Recognized in OCI	**Net Amount Recognized in OCI**	($13.6)	$101.5	($184.9)	$152.4

Net Amount Recognized in OCI

Net Amount Recognized in OCI

	Three Months Ended 30 June		Nine Months Ended 30 June	
	2023	2022	2023	2022

Three Months Ended
Three Months Ended
Three Months Ended
31 December
31 December
31 December
2023
2023
2023

Derivatives in Cash Flow Hedging Relationships

Derivatives in Cash Flow Hedging Relationships

Derivatives in Cash Flow Hedging Relationships	Derivatives in Cash Flow Hedging Relationships				
Forward exchange contracts	Forward exchange contracts	$2.6	($89.4)	$196.7	($152.9)
Forward exchange contracts					
Forward exchange contracts					
Forward exchange contracts, excluded components					
Forward exchange contracts, excluded components					
Forward exchange contracts, excluded components	Forward exchange contracts, excluded components	(7.2)	1.8	(18.7)	1.1
Other(A)	Other(A)	51.2	63.2	12.6	61.1
Other(A)					
Other(A)					
Total Amount Recognized in OCI					
Total Amount Recognized in OCI					
Total Amount Recognized in OCI	**Total Amount Recognized in OCI**	46.6	(24.4)	190.6	(90.7)
Tax effects	Tax effects	(5.8)	8.4	(43.4)	34.8
Tax effects					
Tax effects					
Net Amount Recognized in OCI	**Net Amount Recognized in OCI**	$40.8	($16.0)	$147.2	($55.9)
Net Amount Recognized in OCI					
Net Amount Recognized in OCI					

(A) Other primarily includes interest rate and cross currency interest rate swaps for which excluded components are recognized in "Payables and accrued liabilities" and "Other receivables and current assets" as a component of accrued interest payable and accrued interest receivable, respectively. These excluded components are recorded in "Other non-operating income (expense), net" over the life of the cross currency interest rate swap. Other also includes the recognition of our share of gains and losses, net of tax, related to interest rate swaps held by our equity affiliates.

The table below summarizes the location and amounts recognized in income related to our cash flow and fair value hedging relationships by contract type:

	Three Months Ended 30 June							
	Sales		Cost of Sales		Interest Expense		Other Non-Operating Income (Expense), Net	
	2023	2022	2023	2022	2023	2022	2023	2022
	Three Months Ended 31 December							
	Three Months Ended 31 December							
	Three Months Ended 31 December							

Sales	Sales		Cost of Sales		Interest Expense		Other Non-Operating Income (Expense), Net	
2023	2023	2022	2023	2022	2023	2022	2023	2022

Total presented in consolidated income statements that includes effects of hedging below	Total presented in consolidated income statements that includes effects of hedging below	$3,033.9	$3,189.3	$2,070.7	$2,342.1	$47.4	$32.7	($11.7)	$10.5
(Gain) Loss Effects of Cash Flow Hedging:	**(Gain) Loss Effects of Cash Flow Hedging:**								
(Gain) Loss Effects of Cash Flow Hedging:									
(Gain) Loss Effects of Cash Flow Hedging:									
Forward Exchange Contracts:									
Forward Exchange Contracts:									
Forward Exchange Contracts:	Forward Exchange Contracts:								
Amount reclassified from OCI into income	Amount reclassified from OCI into income	($0.1)	$—	$0.4	$1.7	$—	$—	($10.1)	$69.9
Amount reclassified from OCI into income									
Amount reclassified from OCI into income									
Amount excluded from effectiveness testing recognized in earnings based on amortization approach									
Amount excluded from effectiveness testing recognized in earnings based on amortization approach									
Amount excluded from effectiveness testing recognized in earnings based on amortization approach	Amount excluded from effectiveness testing recognized in earnings based on amortization approach	—	—	—	—	—	—	4.4	1.8
Other:	Other:								
Amount reclassified from OCI into income	Amount reclassified from OCI into income	—	—	—	—	1.4	1.5	(28.0)	(59.8)
Amount reclassified from OCI into income									
Amount reclassified from OCI into income									
Total (Gain) Loss Reclassified from OCI to Income									

Total (Gain) Loss Reclassified from OCI to Income									
Total (Gain) Loss Reclassified from OCI to Income	**Total (Gain) Loss Reclassified from OCI to Income**	(0.1)	—	0.4	1.7	1.4	1.5	(33.7)	11.9
Tax effects	Tax effects	—	—	(0.1)	(0.4)	(0.4)	(0.5)	8.1	(2.8)
Net (Gain) Loss Reclassified from OCI to Income	**Net (Gain) Loss Reclassified from OCI to Income**	($0.1)	$—	$0.3	$1.3	$1.0	$1.0	($25.6)	$9.1
(Gain) Loss Effects of Fair Value Hedging:	**(Gain) Loss Effects of Fair Value Hedging:**								
(Gain) Loss Effects of Fair Value Hedging:									
(Gain) Loss Effects of Fair Value Hedging:									
Other:									
Other:									
Other:	Other:								
Hedged items	Hedged items	$—	$—	$—	$—	($13.6)	($20.9)	$—	$—
Hedged items									
Hedged items									
Derivatives designated as hedging instruments	Derivatives designated as hedging instruments	—	—	—	—	13.6	20.9	—	—
Total (Gain) Loss Recognized in Income	**Total (Gain) Loss Recognized in Income**	$—	$—	$—	$—	$—	$—	$—	$—

	Nine Months Ended 30 June							
	Sales		Cost of Sales		Interest Expense		Other Non-Operating Income (Expense), Net	
	2023	2022	2023	2022	2023	2022	2023	2022
Total presented in consolidated income statements that includes effects of hedging below	$9,408.7	$9,128.6	$6,625.8	$6,717.3	$129.5	$95.5	($26.2)	$42.2
(Gain) Loss Effects of Cash Flow Hedging:								
Forward Exchange Contracts:								
Amount reclassified from OCI into income	$—	$0.7	$4.0	$2.0	$—	$—	($134.0)	$110.8
Amount excluded from effectiveness testing recognized in earnings based on amortization approach	—	—	—	—	—	—	9.7	4.2
Other:								
Amount reclassified from OCI into income	—	—	—	—	4.2	4.4	1.4	(47.6)

Total (Gain) Loss Reclassified from OCI to Income	—	0.7	4.0	2.0	4.2	4.4	(122.9)	67.4
Tax effects	—	(0.2)	(0.9)	(0.5)	(1.5)	(1.6)	29.8	(16.1)
Net (Gain) Loss Reclassified from OCI to Income	$—	$0.5	$3.1	$1.5	$2.7	$2.8	($93.1)	$51.3
(Gain) Loss Effects of Fair Value Hedging:								
Other:								
Hedged items	$—	$—	$—	$—	$3.6	($45.4)	$—	$—
Derivatives designated as hedging instruments	—	—	—	—	(3.6)	45.4	—	—
Total (Gain) Loss Recognized in Income	$—	$—	$—	$—	$—	$—	$—	$—

The tables below summarize the location and amounts recognized in income related to our derivatives not designated as hedging instruments by contract type:

		Three Months Ended 30 June			
		Other Income (Expense), Net		Other Non-Operating Income (Expense), Net	
		2023	2022	2023	2022

	Three Months Ended 31 December			Three Months Ended 31 December	
	Other Income (Expense), Net	Other Income (Expense), Net		Other Non-Operating Income (Expense), Net	
	2023	2023	2022	2023	2022

The Effects of Derivatives Not Designated as Hedging Instruments:	**The Effects of Derivatives Not Designated as Hedging Instruments:**				
Forward Exchange Contracts					
Forward Exchange Contracts					
Forward Exchange Contracts	Forward Exchange Contracts	$0.2	($1.9)	$0.7	($0.5)
Other	Other	—	—	(1.0)	(0.3)
Total (Gain) Loss Recognized in Income	**Total (Gain) Loss Recognized in Income**	$0.2	($1.9)	($0.3)	($0.8)

	Nine Months Ended 30 June			
	Other Income (Expense), Net		Other Non-Operating Income (Expense), Net	
	2023	2022	2023	2022
The Effects of Derivatives Not Designated as Hedging Instruments:				
Forward Exchange Contracts	$1.5	($0.5)	($2.0)	($1.8)
Other	—	—	0.9	(0.1)
Total (Gain) Loss Recognized in Income	$1.5	($0.5)	($1.1)	($1.9)

The amount of unrealized gains and losses related to cash flow hedges as of 30 June 31 December 2023 that are expected to be reclassified to earnings in the next twelve months is not material.

The cash flows related to derivative contracts are generally reported in the operating activities section of the consolidated statements of cash flows.

Credit Risk-Related Contingent Features

Certain derivative instruments are executed under agreements that require us to maintain a minimum credit rating with both Standard & Poor's and Moody's. If our credit rating falls below this threshold, the counterparty to the derivative instruments has the right to request full collateralization on the derivatives' net liability position. The net liability position of derivatives with credit risk-related contingent features was $113.8 $69.6 and $114.8 $94.2 as of 30 June 31 December 2023 and 30 September 2022, 2023, respectively. Because our current credit rating is above the various pre-established thresholds, no collateral has been posted on these liability positions.

Counterparty Credit Risk Management

We execute financial derivative transactions with counterparties that are highly rated financial institutions, all of which are investment grade at this time. Some of our underlying derivative agreements give us the right to require the institution to post collateral if its credit rating falls below the pre-established thresholds with Standard & Poor's, Moody's, or Moody's. Fitch. The collateral that the counterparties would be required to post was $50.0 $107.5 and $62.8 $345.0 as of 30 June 31 December 2023 and 30 September 2022, 2023, respectively. No financial institution is required to post collateral at this time, as all have credit ratings at or above threshold.

10. 8. FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, or the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the asset or liability.

Level 3 — Inputs that are unobservable for the asset or liability based on our own assumptions about the assumptions market participants would use in pricing the asset or liability.

The methods and assumptions used to measure the fair value of financial instruments are as follows:

Short-term Investments

Short-term investments primarily include time deposits with original maturities greater than three months and less than one year. We estimated the fair value of our short-term investments, which approximates carrying value as of the balance sheet date, using Level 2 inputs within the fair value hierarchy. Level 2 measurements were based on current interest rates for similar investments with comparable credit risk and time to maturity.

Derivatives

The fair value of our interest rate management contracts and forward exchange contracts are quantified using the income approach and are based on estimates using standard pricing models. These models consider the value of future cash flows as of the balance sheet date, discounted to a present value using discount factors that match both the time to maturity and currency of the underlying instruments. These standard pricing models utilize inputs that are derived from or corroborated by observable market data such as interest rate yield curves as well as currency spot and forward rates; therefore, the fair value of our derivatives is classified as a Level 2 measurement. On an ongoing basis, we randomly test a subset of our valuations against valuations received from the transaction's counterparty to validate the accuracy of our standard pricing models. Counterparties to these derivative contracts are highly rated financial institutions.

Refer to Note 9, 7, *Financial Instruments*, for a description of derivative instruments, including details related to the balance sheet line classifications.

Long-term Debt, Including Related Party

The fair value of our debt is based on estimates using standard pricing models that consider the value of future cash flows as of the balance sheet date, discounted to a present value using discount factors that match both the time to maturity and currency of the underlying instruments. These standard valuation models utilize observable market data such as interest rate yield curves and currency spot rates; therefore, the fair value of our debt is classified as a Level 2 measurement.

The carrying values and fair values of financial instruments were as follows:

	30 June 2023		30 September 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value

		31 December 2023		31 December 2023		30 September 2023	
		Carrying Value		Carrying Value	Fair Value	Carrying Value	Fair Value
Assets	**Assets**						
Derivatives	Derivatives						
Derivatives							
Derivatives							
Forward exchange contracts							
Forward exchange contracts							
Forward exchange contracts	Forward exchange contracts	$95.9	$95.9	$138.6	$138.6		
Interest rate management contracts	Interest rate management contracts	42.3	42.3	50.5	50.5		
Liabilities	**Liabilities**						
Derivatives	Derivatives						
Derivatives							
Derivatives							
Forward exchange contracts							
Forward exchange contracts							
Forward exchange contracts	Forward exchange contracts	$91.5	$91.5	$275.3	$275.3		
Interest rate management contracts	Interest rate management contracts	82.8	82.8	91.2	91.2		
Long-term debt, including current portion and related party	Long-term debt, including current portion and related party	8,832.8	8,084.2	7,634.1	6,721.2		

The carrying amounts reported on the consolidated balance sheets for cash and cash items, short-term investments, trade receivables, payables and accrued liabilities, accrued income taxes, and short-term borrowings approximate fair value due to the short-term nature of these instruments. Accordingly, these items have been excluded from the above table.

The table below summarizes assets and liabilities on the consolidated balance sheets that are measured at fair value on a recurring basis:

		30 June 2023				30 September 2022			
		Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
		31 December 2023		31 December 2023				30 September 2023	
		Total		Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets at Fair Value	**Assets at Fair Value**								
Derivatives	Derivatives								
Derivatives									
Derivatives									
Forward exchange contracts									
Forward exchange contracts									
Forward exchange contracts	Forward exchange contracts	$95.9	$—	$95.9	$—	$138.6	$—	$138.6	$—
Interest rate management contracts	Interest rate management contracts	42.3	—	42.3	—	50.5	—	50.5	—

Total Assets at Fair Value	Total Assets at Fair Value	$138.2	$—	$138.2	$—	$189.1	$—	$189.1	$—
Liabilities at Fair Value	**Liabilities at Fair Value**								
Derivatives	Derivatives								
Derivatives									
Derivatives									
Forward exchange contracts									
Forward exchange contracts									
Forward exchange contracts	Forward exchange contracts	$91.5	$—	$91.5	$—	$275.3	$—	$275.3	$—
Interest rate management contracts	Interest rate management contracts	82.8	—	82.8	—	91.2	—	91.2	—
Total Liabilities at Fair Value	Total Liabilities at Fair Value	$174.3	$—	$174.3	$—	$366.5	$—	$366.5	$—

11. DEBT

Green Financing

On 3 March 2023, we issued our inaugural multi-currency green bonds under our new Green Finance Framework, which was established to further align our financings with our sustainability strategy. The offering included U.S. Dollar- and Euro-denominated fixed-rate notes with aggregate principal amounts of $600 and €700 million, respectively. The proceeds from these notes were reduced by deferred financing charges and discounts of approximately $15, which are being amortized over the life of the underlying bonds.

We intend to use the net proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to have environmental benefits, including those related to pollution prevention and control, renewable energy generation and procurement, and sustainable aviation fuel. Pending full allocation of the net proceeds to such eligible projects, we may temporarily invest the balance of the net proceeds in cash, cash equivalents, or short-term investments, or repay a portion of outstanding indebtedness in line with our treasury management policies.

The interest rate, maturity, and carrying amount as of 30 June 2023 for each of the notes issued under our Green Finance Framework are summarized in the table below:

	Fiscal Year Maturities	30 June 2023
Payable in U.S. Dollars		
Note 4.800%	2033	$600.0
Payable in Euros		
Eurobonds 4.000%	2035	763.6
Total		$1,363.6

NEOM Green Hydrogen Project Financing

Refer to Note 3, *Variable Interest Entities*, for information regarding non-recourse project financing secured by the NGHC joint venture for construction of the NEOM Green Hydrogen project. As of 30 June 2023, no borrowings were outstanding under this arrangement.

Related Party Debt

Our related party debt includes loans with our joint venture partners. Total debt owed to related parties was $327.3 and $781.0 as of 30 June 2023 and 30 September 2022, respectively, of which $178.7 and $129.0, respectively, was reflected within "Current portion of long-term debt" on our consolidated balance sheets. During the third quarter of fiscal year 2023, outstanding shareholder loans to the NGHC joint venture were converted to equity in the entity. The remaining related party debt balance as of 30 June 2023 primarily includes a loan with Lu'An Clean Energy Company.

Other

We have credit facilities available to certain of our foreign subsidiaries totaling $1,621.8, of which $1,031.1 was borrowed and outstanding as of 30 June 2023. The amount borrowed and outstanding as of 30 September 2022 was $457.5. The increase from 30 September 2022 was driven by borrowings on a new variable-rate Saudi Riyal loan facility that matures in October 2026. The interest rate on the facility is based on the Saudi Arabian Interbank Offered Rate ("SAIBOR") plus an annual margin of 1.35%. We entered into this facility in October 2022 and utilized a portion of the proceeds to repay a variable-rate 4.10% Saudi Riyal Loan Facility of $195.6, which was presented within long-term debt on our consolidated balance sheet as of 30 September 2022.

12. 9. RETIREMENT BENEFITS

The components of net periodic cost (benefit) for our defined benefit pension plans for the three and nine months ended 30 June 31 December 2023 and 2022 were as follows:

	Pension Benefits					
	Pension Benefits					
	Pension Benefits					
	2023					
	2023					
	2023					
Three Months Ended 31 December						
Three Months Ended 31 December						
Three Months Ended 31 December						
Service cost						
Service cost						
Service cost						
Non-service cost:						
Non-service cost:						
Non-service cost:						
Interest cost						
Interest cost						
Interest cost						
Expected return on plan assets						
Expected return on plan assets						
Expected return on plan assets						
Prior service cost amortization						
Prior service cost amortization						
Prior service cost amortization						
Actuarial loss amortization						
Actuarial loss amortization						
Actuarial loss amortization						

	Pension Benefits					
	2023			2022		
Three Months Ended 30 June	U.S.	International	Total	U.S.	International	Total
Service cost	$2.7	$3.0	$5.7	$4.6	$5.3	$9.9
Non-service cost (benefit):						
Interest cost	32.5	15.2	47.7	18.4	7.1	25.5
Expected return on plan assets	(31.7)	(12.6)	(44.3)	(42.0)	(16.6)	(58.6)
Prior service cost amortization	0.3	—	0.3	0.3	—	0.3
Actuarial loss amortization	14.9	3.1	18.0	16.6	3.6	20.2

Settlements	—	0.3	0.3	3.1	—	3.1
Curtailments						
Other	—	0.2	0.2	—	0.2	0.2
Net Periodic Cost (Benefit)	$18.7	$9.2	$27.9	$1.0	($0.4)	$0.6
Curtailments						
Curtailments						
Other						
Other						
Other						
Net Periodic Cost						
Net Periodic Cost						
Net Periodic Cost						

	Pension Benefits					
	2023			2022		
Nine Months Ended 30 June	U.S.	International	Total	U.S.	International	Total
Service cost	$8.2	$9.3	$17.5	$13.8	$16.5	$30.3
Non-service cost (benefit):						
Interest cost	97.5	44.5	142.0	55.2	22.3	77.5
Expected return on plan assets	(95.3)	(36.6)	(131.9)	(126.2)	(51.9)	(178.1)
Prior service cost amortization	0.9	0.1	1.0	0.9	—	0.9
Actuarial loss amortization	44.7	9.1	53.8	49.9	11.3	61.2
Settlements	0.9	0.5	1.4	4.9	0.2	5.1
Curtailments	—	(1.9)	(1.9)	—	—	—
Other	—	0.7	0.7	—	1.2	1.2
Net Periodic Cost (Benefit)	$56.9	$25.7	$82.6	($1.5)	($0.4)	($1.9)

Our service costs are primarily included within "Cost of sales" and "Selling and administrative expense" on our consolidated income statements. The amount of service costs capitalized in the first nine three months of fiscal years 2023 2024 and 2022 2023 were not material. The non-service related impacts including pension settlement losses and curtailment gains, are presented outside operating income within "Other non-operating income (expense), net."

For the nine three months ended 30 June 31 December 2023 and 2022, our cash contributions to funded pension plans and benefit payments under unfunded pension plans were $22.0 $12.0 and $31.7, $8.0, respectively. Total contributions for fiscal year 2023 2024 are expected to be approximately $25 $35 to $35. $45. During fiscal year 2022, 2023, total contributions were $44.7.

In December 2022, we amended an international defined benefit pension plan to move its participants to a defined contribution plan for future benefit accumulation. As a result of this amendment, we recognized a $1.9 curtailment gain for the write-off of prior service credits and remeasured the projected benefit obligations of the plan. This resulted in a net decrease to our projected benefit obligation and accumulated other comprehensive loss of $9.1 in the first quarter of fiscal year 2023. The impact of the remeasurement on fiscal year 2023 expense is not material. $32.6.

During the three and nine months ended 30 June 31 December 2023 we recognized actuarial gain amortization of $0.5 and $1.5, respectively, for our other postretirement benefits plan. During the three and nine months ended 30 June 2022, we recognized actuarial gain amortization of $0.4 $0.1 and $1.2, $0.6, respectively, for our other postretirement benefits plan.

13. 10. COMMITMENTS AND CONTINGENCIES

Litigation

We are involved in various legal proceedings, including commercial, competition, environmental, intellectual property, regulatory, product liability, and insurance matters. We do not currently believe there are any legal proceedings for which it is reasonably possible, individually or in the aggregate, that are reasonably possible to have a material impact on our financial condition, results of operations, or cash flows.

In September 2010, the Brazilian Administrative Council for Economic Defense ("CADE") issued a decision against our Brazilian subsidiary, Air Products Brasil Ltda., and several other Brazilian industrial gas companies for alleged anticompetitive activities. CADE imposed a civil fine of R$179.2 million (approximately $37 at 30 June 31 December 2023) on Air Products Brasil Ltda. This fine was based on a recommendation by a unit of the Brazilian Ministry of Justice, following an investigation beginning in 2003, which alleged violation of competition laws with respect to the sale of industrial and medical gases. The fines are based on a percentage of our total revenue in Brazil in 2003.

We have denied the allegations made by the authorities and filed an appeal in October 2010 with the Brazilian courts. On 6 May 2014, our appeal was granted and the fine against Air Products Brasil Ltda. was dismissed. CADE has appealed that ruling and the matter remains pending. We, with advice of our outside legal counsel, have assessed the status of this matter and have concluded that, although an adverse final judgment after exhausting all appeals is possible, such a judgment is not probable. As a result, no provision has been made in the consolidated financial statements. In the event of an adverse final judgment, we estimate the maximum possible loss to be the full amount of the fine of R$179.2 million (approximately $37 at 30 June 31 December 2023) plus interest accrued thereon until final disposition of the proceedings.

Additionally, in April 2023, we received a favorable ruling from a Texas state court in litigation involving disputed energy management charges related to Winter Storm Uri, a severe winter weather storm that impacted the U.S. Gulf Coast in February 2021. The ruling is subject to appeal and had no impact on our consolidated financial statements for the three and nine months ended 30 June 31 December 2023.

Environmental

In the normal course of business, we are involved in legal proceedings under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA," the federal Superfund law), Resource Conservation and Recovery Act ("RCRA"), and similar state and foreign environmental laws relating to the designation of certain sites for investigation or remediation. Presently, there are 27 sites on which a final settlement or remediation has not been achieved where we, usually along with others, have been designated a potentially responsible party by environmental authorities or are otherwise engaged in investigation or remediation, including cleanup activity at certain of our current and former manufacturing sites. We continually monitor these sites for which we have environmental exposure.

Accruals for environmental loss contingencies are recorded when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The consolidated balance sheets at 30 June 31 December 2023 and 30 September 2022 2023 included an accrual of $66.9 $63.3 and $71.3, $64.5, respectively, primarily as part of other noncurrent liabilities. The environmental liabilities will be paid over a period of up to 30 27 years. We estimate the exposure for environmental loss contingencies to range from $66 $63 to a reasonably possible upper exposure of $80 $77 as of 30 June 31 December 2023.

Actual costs to be incurred at identified sites in future periods may vary from the estimates, given inherent uncertainties in evaluating environmental exposures. Using reasonably possible alternative assumptions of the exposure level could result in an increase to the environmental accrual. Due to the inherent uncertainties related to environmental exposures, a significant increase to the reasonably possible upper exposure level could occur if a new site is designated, the scope of remediation is increased, a different remediation alternative is identified, or a significant increase in our proportionate share occurs. We do not expect that any sum we may have to pay in connection with environmental matters in excess of the amounts recorded or disclosed above would have a material adverse impact on our financial position or results of operations in any one year.

Pace

At 30 June 31 December 2023, $37.6 $36.7 of the environmental accrual was related to the our facility in Pace, facility. Florida.

In 2006, we sold our Amines business, which included operations at the Pace Florida, facility and recognized a liability for retained environmental obligations associated with remediation activities at Pace. the facility. We are required by the Florida Department of Environmental Protection ("FDEP") and the United States Environmental Protection Agency ("USEPA") to continue our remediation efforts. We recognized a before-tax expense of $42 in fiscal year 2006 in results from discontinued operations and recorded an environmental accrual of $42 in continuing operations on the consolidated balance sheets.

During In the second first quarter of 2015, we entered into a consent order with the FDEP requiring us to continue our remediation efforts at the Pace facility and complete a cost review every five years. In fiscal year 2020, we completed an updated cost review of the environmental remediation status at the Pace facility. The review was completed in conjunction with requirements to maintain financial assurance per the Consent Order consent order issued by the FDEP discussed below. Based on our review, we expect ongoing activities to continue for 30 27 years. Additionally, we will require near-term spending to install new groundwater recovery wells and ancillary equipment, in addition to future capital to consider the extended time horizon for remediation at the site. As a result of these changes, we increased our environmental accrual for this site by $19 in continuing operations on the consolidated balance sheets and recognized a before-tax expense of $19 in results from discontinued operations in the second quarter of fiscal year 2020. There have been no significant changes to the estimated exposure range related to the Pace facility since the second quarter of fiscal year 2020.

We have implemented many of the remedial corrective measures at the Pace facility required under the 1995 Consent Orders consent orders issued by the FDEP and the USEPA. Contaminated soils have been bioremediated, and the treated soils have been secured in a lined on-site corrective action management unit. Several groundwater recovery systems have been installed to contain and remove contamination from groundwater. We completed an extensive assessment of the site to determine the efficacy of existing measures, what additional corrective measures may be needed, and whether newer remediation technologies that were not available in the 1990s might be suitable to more quickly and effectively remediate groundwater. Based on assessment results, we completed a focused feasibility study that has identified alternative approaches that may more effectively remove contaminants. We continue to review alternative remedial approaches with the FDEP and have completed additional field work during 2021 to support the design of an improved groundwater recovery network with the objective of targeting areas of higher contaminant concentration and avoiding areas of high groundwater iron which has proven to be a significant operability issue for the project. The design of the optimized recovery system has been was initiated in fiscal year 2023 with construction expected to begin thereafter in fiscal years 2024 and year 2025. In fiscal year 2025, we expect to connect groundwater recovery wells and ancillary equipment to the first quarter of 2015, existing groundwater recovery system. Further, we entered into a new Consent Order with expect additional future capital expenditures to consider the FDEP requiring us to continue our extended time horizon for remediation efforts at the Pace facility, along with the completion of a cost review every 5 years. site.

Piedmont

At 30 June 31 December 2023, $5.6 $4.1 of the environmental accrual was related to the a production facility site in Piedmont, site. South Carolina.

On 30 June 2008, we sold our Elkton, Maryland, and Piedmont, South Carolina, production facilities and the related North American atmospheric emulsions and global pressure sensitive adhesives businesses. In connection with the sale, we recognized a liability for retained environmental obligations associated with remediation activities at the Piedmont site. This site is under active remediation for contamination caused by an insolvent prior owner.

We are required by the South Carolina Department of Health and Environmental Control ("SCDHEC") to address both contaminated soil and groundwater. Numerous areas of soil contamination have been addressed, and contaminated groundwater is being recovered and treated. The SCDHEC issued its final approval to the site-wide feasibility study on 13 June 2017 and the Record of Decision for the site on 27 June 2018, after which we signed a Consent Agreement Amendment memorializing our obligations to complete the cleanup of the site. Remediation has started in accordance with the design, which includes in-situ chemical oxidation treatment, as well as soil vapor extraction to remove volatile organic compounds from the unsaturated soils beneath the impacted areas of the plant. We estimate that source area remediation and groundwater recovery and treatment will continue through 2029. Thereafter, we expect this site to go into a state of monitored natural attenuation through 2047.

We recognized a before-tax expense of $24 in 2008 as a component of income from discontinued operations and recorded an environmental liability of $24 in continuing operations on the consolidated balance sheets. There have been no significant changes to the estimated exposure.

Pasadena

At 30 June 31 December 2023, $10.5 $10.4 of the environmental accrual was related to the a production facility site in Pasadena, site. Texas.

During the fourth quarter of fiscal year 2012, management committed to permanently shutting down our polyurethane intermediates ("PUI") production facility in Pasadena, Texas. In shutting down and dismantling the facility, we have undertaken certain obligations related to soil and groundwater contaminants. We have been pumping and treating groundwater to control off-site contaminant migration in compliance with regulatory requirements and under the approval of the Texas Commission on Environmental Quality ("TCEQ"). We estimate that the pump and treat system will continue to operate until 2042.

We continue to perform additional work to address other environmental obligations at the site. This additional work includes remediating, as required, impacted soils, investigating groundwater west of the former PUI facility, continuing post closure care for two closed RCRA surface impoundment units, and maintaining engineering controls. Additionally, we have conducted an interim corrective action to treat impacted soils as recommended in the TCEQ 2019 Annual Report. In 2012, we estimated the total exposure at this site to be $13. There have been no significant changes to the estimated exposure.

14.

11. SHARE-BASED COMPENSATION

Our outstanding share-based compensation programs include deferred stock units and stock options. During the nine three months ended 30 June 31 December 2023, we granted market-based and time-based deferred stock units. Under all programs, the terms of the awards are fixed at the grant date. We issue shares from treasury stock upon the payout of deferred stock units and the exercise of stock options. As of 30 June 31 December 2023, there were 1.2 million 1.0 million shares available for future grant under our Long-Term Incentive Plan ("LTIP"). , which is shareholder approved.

Share-based compensation cost recognized on the consolidated income statements is summarized below:

		Three Months Ended		Nine Months Ended	
		30 June		30 June	
		2023	2022	2023	2022
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		31 December			
		31 December			
		31 December			
		2023			
		2023			
		2023			
Before-tax share-based compensation cost					
Before-tax share-based compensation cost					
Before-tax share-based compensation cost	Before-tax share-based compensation cost	$14.5	$10.7	$46.9	$38.0
Income tax benefit	Income tax benefit	(3.5)	(2.6)	(11.4)	(9.3)
Income tax benefit					

Income tax benefit					
After-tax share-based compensation cost	After-tax share-based compensation cost	$11.0	$8.1	$35.5	$28.7
After-tax share-based compensation cost					
After-tax share-based compensation cost					

Before-tax share-based compensation cost is primarily included in "Selling and administrative expense" on our consolidated income statements. The amount of share-based compensation cost capitalized in the first nine three months of fiscal years 2023 2024 and 2022 2023 was not material.

Deferred Stock Units

During the nine three months ended 30 June 31 December 2023, we granted 85,612 102,120 market-based deferred stock units. The market-based deferred stock units are earned over the performance period beginning 1 October 2022 2023 and ending 30 September 2025, 2026, conditioned on the level of our total shareholder return in relation to a defined peer group the S&P 500 Index over the three-year performance period.

The market-based deferred stock units had an estimated grant-date fair value of $502.03 $302.10 per unit, which was estimated using a Monte Carlo simulation model. The model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the grant and calculates the fair value of the awards. We generally expense the grant-date fair value of these awards on a straight-line basis over the vesting period. The calculation of the fair value of market-based deferred stock units used the following assumptions:

Expected volatility	32.5 25.0 %
Risk-free interest rate	4.0 4.3 %
Expected dividend yield	2.4 2.6 %

In addition, during the nine three months ended 30 June 31 December 2023, we granted 116,255 132,317 time-based deferred stock units at a weighted average grant-date fair value of $309.41. $273.02.

15. 12. ACCUMULATED OTHER COMPREHENSIVE LOSS

The tables table below summarize summarizes changes in accumulated other comprehensive loss ("AOCL"), net of tax, attributable to Air Products for the three and nine months ended 30 June 31 December 2023:

	Derivatives qualifying as hedges	Foreign currency translation adjustments	Pension and postretirement benefits	Total
Balance at 31 March 2023	($26.5)	($1,527.9)	($608.9)	($2,163.3)
Other comprehensive income (loss) before reclassifications	40.8	(175.8)	—	(135.0)
Amounts reclassified from AOCL	(24.4)	—	13.5	(10.9)
Net current period other comprehensive income (loss)	16.4	(175.8)	13.5	(145.9)
Amount attributable to noncontrolling interests	11.4	(15.9)	0.1	(4.4)
Balance at 30 June 2023	($21.5)	($1,687.8)	($595.5)	($2,304.8)

	Derivatives qualifying as hedges	Foreign currency translation adjustments	Pension and postretirement benefits	Total
Balance at 30 September 2023	$61.1	($1,913.3)	($597.2)	($2,449.4)
Other comprehensive (loss) income before reclassifications	(161.1)	380.6	—	219.5
Amounts reclassified from AOCL	(42.2)	—	13.7	(28.5)
Net current period other comprehensive (loss) income	(203.3)	380.6	13.7	191.0
Amount attributable to noncontrolling interests	(154.1)	16.0	—	(138.1)
Balance at 31 December 2023	$11.9	($1,548.7)	($583.5)	($2,120.3)

	Derivatives qualifying as hedges	Foreign currency translation adjustments	Pension and postretirement benefits	Total
Balance at 30 September 2022	($71.9)	($2,072.4)	($641.8)	($2,786.1)
Other comprehensive income before reclassifications	147.2	384.8	6.7	538.7
Amounts reclassified from AOCL	(87.3)	(0.3)	39.8	(47.8)
Net current period other comprehensive income	59.9	384.5	46.5	490.9
Amount attributable to noncontrolling interests	9.5	(0.1)	0.2	9.6
Balance at 30 June 2023	($21.5)	($1,687.8)	($595.5)	($2,304.8)

The table below summarizes the reclassifications out of AOCL and the affected line item on the consolidated income statements:

		Three Months Ended		Nine Months Ended	
			30 June		
		2023	2022	2023	2022
(Gain) Loss on Cash Flow Hedges, net of tax					
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		31 December			
		31 December			
		31 December			
		2023			
		2023			
		2023			
Gain on Cash Flow Hedges, net of tax					
Gain on Cash Flow Hedges, net of tax					
Gain on Cash Flow Hedges, net of tax					
Sales	Sales	($0.1)	$—	$—	$0.5
Sales					
Sales					
Cost of sales					
Cost of sales					
Cost of sales	Cost of sales	0.3	1.3	3.1	1.5
Interest expense	Interest expense	1.0	1.0	2.7	2.8
Interest expense					
Interest expense					
Other non-operating income (expense), net	Other non-operating income (expense), net	(25.6)	9.1	(93.1)	51.3
Total (Gain) Loss on Cash Flow Hedges, net of tax		($24.4)	$11.4	($87.3)	$56.1
Currency Translation Adjustment					
Business and asset actions		$—	$—	($0.3)	$—
Other non-operating income (expense), net					
Other non-operating income (expense), net					
Total Gain on Cash Flow Hedges, net of tax					
Total Gain on Cash Flow Hedges, net of tax					
Total Gain on Cash Flow Hedges, net of tax					
Pension and Postretirement Benefits, net of tax(A)	Pension and Postretirement Benefits, net of tax(A)	$13.5	$17.5	$39.8	$49.4

Pension and Postretirement Benefits, net of tax(A)
Pension and Postretirement Benefits, net of tax(A)

(A) The components of net periodic benefit benefit/cost reclassified out of AOCL include items such as prior service cost amortization, actuarial loss amortization, settlements, and curtailments and are included in “Other non-operating income (expense), net” on the consolidated income statements. Refer to Note 12, 9, *Retirement Benefits*, for additional information.

16. 13. EARNINGS PER SHARE

The table below details the computation of basic and diluted earnings per share ("EPS"):

		Three Months Ended 30 June		Nine Months Ended 30 June	
		2023	2022	2023	2022

	Three Months Ended
	Three Months Ended
	Three Months Ended
	31 December
	31 December
	31 December
	2023
	2023
	2023
Numerator	
Numerator	

Numerator	**Numerator**				
Net income attributable to Air Products	Net income attributable to Air Products	$595.6	$582.1	$1,607.6	$1,673.0

Net income attributable to Air Products

Net income attributable to Air Products

Denominator *(in millions)*

Denominator *(in millions)*

Denominator *(in millions)*	**Denominator** *(in millions)*				
Weighted average common shares — Basic	Weighted average common shares — Basic	222.4	222.0	222.3	222.0

Weighted average common shares — Basic

Weighted average common shares — Basic

Effect of dilutive securities

Effect of dilutive securities

Effect of dilutive securities	Effect of dilutive securities

Employee stock option and other award plans	Employee stock option and other award plans	0.4	0.5	0.4	0.5
Employee stock option and other award plans					
Employee stock option and other award plans					
Weighted average common shares — Diluted	Weighted average common shares — Diluted	222.8	222.5	222.7	222.5
Weighted average common shares — Diluted					
Weighted average common shares — Diluted					
Per Share Data *(U.S. Dollars per share)*					
Per Share Data *(U.S. Dollars per share)*					
Per Share Data *(U.S. Dollars per share)*	**Per Share Data** *(U.S. Dollars per share)*				
Basic EPS attributable to Air Products	Basic EPS attributable to Air Products	$2.68	$2.62	$7.23	$7.54
Basic EPS attributable to Air Products					
Basic EPS attributable to Air Products					
Diluted EPS attributable to Air Products	Diluted EPS attributable to Air Products	$2.67	$2.62	$7.22	$7.52
Diluted EPS attributable to Air Products					
Diluted EPS attributable to Air Products					

For the three and nine months ended 30 June 2023 and 2022, there were no antidilutive Antidilutive outstanding share-based awards.

17. INCOME TAXES

Effective Tax Rate

Our effective tax rate was 18.6% and 19.4% awards were not material for the three and nine months ended 30 June 2023, respectively, and 18.6% and 18.1% for the three and nine months ended 30 June 2022, respectively.

During the first nine months of fiscal year 2023, we recorded a charge for business and asset actions of $244.6 ($204.9 attributable to Air Products after tax). Refer to Note 4, *Business and Asset Actions*, for additional information. The charge included certain losses for which we could not recognize an income tax benefit and were subject to a valuation allowance of $36.0. Partially offsetting the valuation allowance cost was a $15.9 income tax benefit from a tax election related to a non-U.S. subsidiary.

Cash Paid for Taxes (Net of Cash Refunds)

Income tax payments, net of refunds, were $487.6 and $341.3 for the nine months ended 30 June 31 December 2023 and 2022, respectively.

2022.

18. 14. SUPPLEMENTAL INFORMATION

Related Party Transactions

We have related party sales to some of our equity affiliates and joint venture partners as well as other income primarily from fees charged for use of Air Products' patents and technology. Sales to and other income from related parties totaled approximately $105 $95 and $290 $80 for the three and nine months ended 30 June 31 December 2023 respectively, and approximately $75 and $200 for the three and nine months ended 30 June 2022, respectively. Sales agreements with related parties include terms that are consistent with those that we believe would have been negotiated at an arm's length with an independent party. As of 30 June 31 December 2023 and 30 September 2022, 2023, our consolidated balance sheets included related party trade receivables of approximately $255 $90 and $55, $80, respectively.

Refer to Note 11, *Debt*, for information concerning Total debt owed to related parties.parties was $294.8 and $328.3 as of 31 December 2023 and 30 September 2023, respectively, of which $136.9 and $177.6, respectively, was reflected within "Current portion of long-term debt" on our consolidated balance sheets. Our related party debt primarily includes a loan with our joint venture partner, Lu'An Clean Energy Company.

Uzbekistan Asset Purchase

On 25 May 2023, we entered into an investment agreement with the Government of the Republic of Uzbekistan and Uzbekneftegaz JSC ("UNG") to purchase a natural gas-to-syngas processing facility in Qashqadaryo Province, Uzbekistan, for $1 billion. Under the agreement, Air Products will acquire, own, and operate the facility and supply all offtake products to UNG under a 15-year on-site contract, with UNG supplying the feedstock natural gas and utilities.

We are accounting for the transaction as a financing arrangement because UNG has the right to reacquire the facility at the end of the contract term. Accordingly, progress payments of approximately $800, $910, of which $600 $100 was completed paid during the third first quarter of fiscal year 2023, 2024, are reflected within "Financing Receivables" receivables" on our consolidated balance sheet as of 30 June 31 December 2023.

Accrual for Business and Asset Actions

In fiscal year 2023, we recognized an expense of $27.0 for severance and other benefits associated with position eliminations and restructuring of certain organizations globally. The progress payments made during charge was not recorded in segment results. The table below reconciles the third quarter are reflected charge to the carrying amount of the accrual included within "Investment in financing receivables" "Payables and accrued liabilities" on our consolidated statement balance sheets as of cash flows. We will complete 31 December 2023:

Fiscal year 2023 charge	$27.0
Cash payments	(6.8)
Currency translation adjustment	(0.4)
Accrual as of 30 September 2023	$19.8
Cash payments	(3.4)
Currency translation adjustment	0.4
Accrual as of 31 December 2023	$16.8

Debt

Third-party long-term debt was $11,715.4 and $9,280.6 as of 31 December 2023 and 30 September 2023, respectively. The increase from 30 September 2023 was primarily due to the issuance of commercial paper as well as additional borrowings under the project financing associated with the NEOM Green Hydrogen Project as discussed in Note 3, *Variable Interest Entities*. As of 31 December 2023, we classified the outstanding commercial paper, which totaled approximately $1.3 billion, as well as our investment prior 3.35% Senior Note of $400 maturing in July 2024 as long-term debt as we have the ability to facility on-stream, which refinance the debt under our $2.75 billion revolving credit agreement (the "2021 Credit Agreement") maturing in 2026. Our current intent is expected in 2024. to refinance this debt via the U.S. public debt market.

Changes in Estimates

Changes in estimates on sale of equipment projects accounted for under the cost incurred input method are recognized as a cumulative adjustment for the inception-to-date effect of such change. We recorded changes to project cost estimates that unfavorably impacted operating income by approximately $45 $30 and $105 $25 for the three and nine months ended 30 June 31 December 2023 respectively, and approximately $30 in 2022, respectively.

Income Taxes

Our effective tax rate was 17.9% and 18.9% for the first nine months of fiscal year 2022.

Lessee Accounting

During the nine three months ended 30 June 31 December 2023 we recorded noncash right-of-use asset additions and 2022, respectively.
Income tax payments, net of approximately $320, refunds, were $90.1 including a land lease associated with and $88.5 for the NGHC joint venture. Refer to Note 3, *Variable Interest Entities*, for additional information. three months ended 31 December 2023 and 2022, respectively.

19. 15. BUSINESS SEGMENT INFORMATION

Our reportable segments reflect the manner in which our chief operating decision maker assesses performance reviews results and allocates resources. Our reportable segments are as follows:

- Americas;
- Asia;
- Europe;
- Middle East and India; and
- Corporate and other

Except for the Corporate and other segment, each reportable segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments. Our Corporate and other segment includes the aggregation of three operating segments that meet the aggregation criteria under GAAP.

Summary by Business Segment

		Americas	Asia	Europe	Middle East and India	Corporate and other	Total											
Three Months Ended 30 June 2023																		
	Americas																	
Three Months Ended 31 December 2023																		
Three Months Ended 31 December 2023																		
Three Months Ended 31 December 2023																		
Sales																		
Sales																		
Sales	Sales	$1,260.7	$822.9	$706.6	$39.7	$204.0	$3,033.9 (A)	$1,252.1	$793.8	$793.8	$731.2	$731.2	$35.4	$35.4	$184.9	$184.9	$2,997.4	$2,997.4 (A) (A)
Operating income (loss)	Operating income (loss)	374.8	240.8	176.1	5.8	(94.3)	703.2 (B)											
Depreciation and amortization	Depreciation and amortization	163.1	108.3	48.6	7.0	12.9	339.9											
Depreciation and amortization																		
Depreciation and amortization																		
Equity affiliates' income	Equity affiliates' income	29.9	7.5	28.8	95.5	3.3	165.0											
Three Months Ended 30 June 2022																		
Equity affiliates' income																		
Equity affiliates' income																		
Three Months Ended 31 December 2022																		
Three Months Ended 31 December 2022																		
Three Months Ended 31 December 2022																		
Sales																		
Sales																		
Sales	Sales	$1,416.3	$751.4	$739.6	$35.4	$246.6	$3,189.3 (A)	$1,384.2	$777.8	$777.8	$791.9	$791.9	$41.4	$41.4	$179.4	$179.4	$3,174.7	$3,174.7 (A) (A)
Operating income (loss)	Operating income (loss)	298.9	210.6	137.4	6.9	(26.4)	627.4 (B)											
Depreciation and amortization	Depreciation and amortization	160.5	107.6	48.9	6.8	13.4	337.2											
Depreciation and amortization																		
Depreciation and amortization																		

Equity affiliates' income							
Equity affiliates' income							
Equity affiliates' income	Equity affiliates' income	21.4	5.7	20.6	67.2	1.2	116.1

Total Assets						
31 December 2023	$10,666.2	$7,318.0	$5,120.9	$6,214.1	$4,799.0	$34,118.2
30 September 2023	9,927.5	7,009.6	4,649.8	5,708.4	4,707.2	32,002.5

(A) Sales relate to external customers only. All intersegment sales are eliminated in consolidation.

(B) Refer to the *Reconciliation to Consolidated Results* section below.

	Americas	Asia	Europe	Middle East and India	Corporate and other	Total
Nine Months Ended 30 June 2023						
Sales	$4,018.0	$2,414.6	$2,251.4	$125.9	$598.8	$9,408.7 (A)
Operating income (loss)	1,042.0	709.7	495.1	13.8	(260.0)	2,000.6 (B)
Depreciation and amortization	480.8	320.2	141.2	20.2	38.6	1,001.0
Equity affiliates' income	74.4	22.2	76.0	258.5	9.8	440.9
Nine Months Ended 30 June 2022						
Sales	$3,827.0	$2,283.0	$2,222.4	$88.0	$708.2	$9,128.6 (A)
Operating income (loss)	841.6	635.3	353.0	16.5	(134.1)	1,712.3 (B)
Depreciation and amortization	469.5	330.2	149.0	19.8	36.9	1,005.4
Equity affiliates' income	75.7	18.5	57.8	230.6	2.1	384.7
Total Assets						
30 June 2023	$9,547.9	$7,216.5	$4,597.0	$5,182.2	$4,385.9	$30,929.5
30 September 2022	8,237.7	6,968.7	3,645.1	2,980.7	5,360.4	27,192.6

(A) Sales relate to external customers only. All intersegment sales are eliminated in consolidation.

(B) Refer to the *Reconciliation to Consolidated Results* section below.

Reconciliation to Consolidated Results

The table below reconciles total operating income disclosed in the tables above to consolidated operating income as reflected on our consolidated income statements:

	Three Months Ended 30 June		Nine Months Ended 30 June	
Operating Income	2023	2022	2023	2022
Total	$703.2	$627.4	$2,000.6	$1,712.3
Business and asset actions	(59.0)	—	(244.6)	—
Consolidated Operating Income	$644.2	$627.4	$1,756.0	$1,712.3

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

As usedThis Management's Discussion and Analysis contains "forward-looking statements" within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about business outlook. These forward-looking statements are based on management's expectations and assumptions as of the date of this Quarterly Report on Form 10-Q and are not guarantees of future performance. Actual performance and financial results may differ materially from projections and estimates expressed in the discussion that follows, unless forward-looking statements because of many factors not anticipated by management, including, without limitation, those described in "Forward-Looking Statements" and Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for the context indicates otherwise, fiscal year ended 30 September 2023 (the "2023 Form 10-K"), which was filed with the terms "we," "our," "us," the "Company," "Air Products," or "registrant" include controlled subsidiaries and affiliates of Air Products. SEC on 16 November 2023.

This discussion should be read in conjunction with the interim consolidated financial statements and the accompanying notes contained in this Quarterly Report on Form 10-Q. Unless otherwise stated, financial information is presented in millions of U.S. Dollars, except for per share data. Except for net income, which includes the results of discontinued operations, when applicable, financial Financial information is presented on a continuing operations basis.

Comparisons of our results of operations and liquidity and capital resources are for the third quarter and first nine months of fiscal year 2023 versus ("vs.") the third quarter and first nine months of fiscal year 2022, respectively. The disclosures provided in this Quarterly Report on Form 10-Q are complementary to those made in our Annual Report on Form 10-K for the fiscal year ended 30 September 2022 (the "2022 Form 10-K"), which was filed with the SEC on 22 November 2022.

The financial measures discussed below are presented in accordance with U.S. generally accepted accounting principles ("GAAP"), except as noted. We present certain financial measures on an "adjusted", or "non-GAAP", basis because we believe such measures, when viewed together with financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance. For each non-GAAP financial measure, including adjusted diluted earnings per share ("EPS"), adjusted EBITDA, adjusted EBITDA margin, adjusted effective tax rate, and capital expenditures, we present a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP. These reconciliations and explanations regarding the use of non-GAAP measures are presented under the "Reconciliations "*Reconciliations of Non-GAAP Financial Measures" Measures*" section beginning on page 51 40.

Comparisons included in the discussion that follows are for the first quarter of fiscal year 2024 versus ("vs.") the first quarter of fiscal year 2023. The disclosures provided in this Quarterly Report on Form 10-Q are complementary to those made in our 2023 Form 10-K.

For information concerning activity with our related parties, refer to Note 18, 14, *Supplemental Information*, to the consolidated financial statements.

About Air Products

Founded in 1940, Air Products and Chemicals, Inc., is a Delaware corporation originally founded in 1940, world-leading industrial gases company that has built a reputation for its innovative culture, operational excellence, and commitment to safety and the environment. Our Approximately 23,000 passionate, talented, and committed employees are from diverse backgrounds and together are driven by our Air Products' higher purpose to create innovative solutions that benefit the environment, enhance sustainability, and reimagine what is possible to address the challenges facing customers, communities, and the world. As of 30 September 2022, we had approximately 21,900 employees, of which over 90% were working full-time and 75% were located outside the United States. For information on our product service, and solution service offerings, refer to our 2022 2023 Form 10-K.

We manage our operations, assess performance, and report earnings under five reportable segments: Americas, Asia, Europe, Middle East and India, and Corporate and other. This Management's Discussion and Analysis discusses our results The discussion that follows is based on these operations. Refer to Note 15, *Business Segment Information*, to the consolidated financial statements for additional information.

THIRD FIRST QUARTER 2023 2024 VS. THIRD FIRST QUARTER 2022 2023

THIRD FIRST QUARTER 2023 2024 IN SUMMARY

- Sales of $3,033.9$2,997.4 decreased 5% 6%, or $155.4, $177.3, as higher pricing of 4% and higher volumes of 3% were more than offset by lower energy cost pass-through to customers of 11% was partially offset by higher volumes of 3%, higher pricing of 1%, and an unfavorable a favorable impact from currency of 1%.
- Operating income of $644.2 $666.9 increased 3% 2%, or $16.8, $14.9, as our positive pricing actions and higher volumes more than were partially offset by higher costs, a charge of $59.0 for business and asset actions, and unfavorable currency. costs. Operating margin of 21.2%22.2% increased 150 170 basis points ("bp") primarily due to the these factors as well as a positive impact of our pricing actions. from lower energy cost pass-through to customers.

- Equity affiliates' income of $165.0 $158.4 increased 42% 44%, or $48.9, $48.4, primarily due to a higher contribution income from the JIGPC joint venture which completed the second phase of the asset purchase associated with the Jazan gasification and power project in January 2023, as well as higher income from our affiliates affiliate in Mexico and Italy. Mexico.
- Net income of $610.5 $621.6 increased 4% 6%, or $23.4, as the impact of our pricing actions and $37.8, primarily due to higher equity affiliates' income, were favorable pricing, and higher volumes, partially offset by the charge for business and asset actions, higher non-service pension costs, and higher other costs. Net income margin of 20.1% 20.7% increased 170 bp. 230 bp due to these factors as well as a positive impact from lower energy cost pass-through to customers.
- Adjusted EBITDA of $1,208.1 $1,174.5 increased 12% 8%, or $127.4, $91.0, and adjusted EBITDA margin of 39.8% 39.2% increased 590 510 bp.
- Diluted EPS of $2.67 $2.73 increased 2% 6%, or $0.05 $0.16 per share, and included an unfavorable impacts impact from business and asset actions as well as non-service related pension costs. Adjusted diluted EPS of $2.98 $2.82 increased 16% 7%, or $0.40 $0.18 per share. A summary table of changes in diluted EPS is presented below.

Changes in Diluted EPS Attributable to Air Products

The per share impacts presented in the tables table below were calculated independently and do not sum to the total change in diluted EPS due to rounding.

		Three Months Ended		
		30 June		Increase
		2023	2022	(Decrease)
	Three Months Ended			
		31 December		
		31 December		
		31 December		Increase
	2023	2023	2022	(Decrease)
Diluted EPS	**Diluted EPS**	**$2.67**	**$2.62**	**$0.05**
Operating Impacts	**Operating Impacts**			
Operating Impacts				
Operating Impacts				
Underlying business	Underlying business			
Underlying business				
Underlying business				
Volume				
Volume				
Volume	Volume			0.09
Price, net of variable costs	Price, net of variable costs			0.52
Other costs	Other costs			(0.27)
Currency				(0.06)
Business and asset actions				(0.23)
Total operating impacts				**$0.05**
Other Impacts				
Equity affiliates' income				$0.18
Interest expense				(0.05)
Other non-operating income/expense, net, excluding discrete item below				0.03

Non-service pension cost/benefit, net	(0.10)
Noncontrolling interests	(0.04)
Total other impacts	**$0.02**
Total change in diluted EPS	**$0.05**
Total Operating Impacts	
Total Operating Impacts	
Total Operating Impacts	
Other Impacts	
Equity affiliates' income	
Equity affiliates' income	
Equity affiliates' income	
Interest expense	
Interest expense	
Interest expense	
Other non-operating income/expense, net, excluding discrete item below	
Non-service pension cost, net	
Change in effective tax rate	
Change in effective tax rate	
Change in effective tax rate	
Total Other Impacts	
Total Other Impacts	
Total Other Impacts	
Total Change in Diluted EPS	
% Change from prior year	**% Change from prior year** 2 % % Change from prior year 6 %

The table below summarizes the diluted per share impact of our non-GAAP adjustments for the third first quarter of fiscal years 2023 2024 and 2022: 2023:

	Three Months Ended 30 June 2023	2022	Increase (Decrease)
	Three Months Ended 31 December 31 December 31 December 2023	2023 2022	Increase (Decrease)
Diluted EPS **Diluted EPS**	**$2.67**	**$2.62**	**$0.05**

Business and asset actions		0.23	—	0.23	
Non-service pension cost (benefit), net		0.07	(0.03)	0.10	
Non-service pension cost, net					
Non-service pension cost, net					
Non-service pension cost, net					
Adjusted Diluted EPS	**Adjusted Diluted EPS**	**$2.98**	**$2.58**	**$0.40**	
Adjusted Diluted EPS					
Adjusted Diluted EPS					
% Change from prior year	**% Change from prior year**	**16 %**	% Change from prior year		7 %

THIRD FIRST QUARTER 2023 2024 RESULTS OF OPERATIONS

Discussion of Third Quarter Consolidated Results

		Three Months Ended 30 June		Changes								
		2023	2022	$	%/bp							
		Three Months Ended 31 December										
		31 December										
		31 December								Change vs. Prior Year		
		2023						2023		2022		$
GAAP Measures	**GAAP Measures**											
Sales												
Sales												
Sales	Sales	$3,033.9	$3,189.3	($155.4)	(5 %)		$2,997.4	$3,174.7	$3,174.7	($177.3)	($177.3)	(6
Operating income	Operating income	644.2	627.4	16.8	3 %	Operating income	666.9	652.0	652.0	14.9	14.9	2
Operating margin	Operating margin	21.2 %	19.7 %		150 bp	Operating margin	22.2 %		20.5 %			
Equity affiliates' income	Equity affiliates' income	$165.0	$116.1	$48.9	42 %	Equity affiliates' income	$158.4	$110.0	$110.0	$48.4	$48.4	44
Net income	Net income	610.5	587.1	23.4	4 %	Net income	621.6	583.8	583.8	37.8	37.8	6

Net income margin	Net income margin	20.1 %	18.4 %	170 bp	Net income margin	20.7 %	18.4 %		
Non-GAAP Measures	**Non-GAAP Measures**								
Adjusted EBITDA	Adjusted EBITDA	$1,208.1	$1,080.7	$127.4	12 %				
Adjusted EBITDA									
Adjusted EBITDA						$1,174.5	$1,083.5	$91.0	8
Adjusted EBITDA margin	Adjusted EBITDA margin	39.8 %	33.9 %	590 bp	Adjusted EBITDA margin	39.2 %	34.1 %		

Sales

The table below summarizes the major factors that impacted consolidated sales for the periods presented:

Volume	3 %
Price	4 1 %
Energy cost pass-through to customers	(11 %)
Currency	(1 %)
Total consolidated sales change Consolidated Sales Change	(5 6 %)

Sales of $3,033.9 $2,997.4 decreased 5% 6%, or $155.4, $177.3, as lower energy cost pass-through to customers of 11% and an unfavorable impact from currency of 1% were was partially offset by higher pricing of 4% and higher volumes of 3%, higher pricing of 1%, and a favorable currency impact of 1%. Lower energy cost pass-through to our on-site customers was driven by lower natural gas prices in the Americas and Europe segments. Pricing actions in segments drove the lower energy cost pass-through to our merchant business to recover higher costs improved sales across each of our regional segments. on-site customers. The volume improvement was primarily attributable to strong demand for hydrogen in our on-site business, which was partially offset by weaker demand for helium in the Americas and Asia segments. our merchant business.

Cost of Sales and Gross Margin

Cost of sales of $2,070.7 $2,067.2 decreased 12% 9%, or $271.4, $205.1, due to lower energy cost pass-through to customers of $356 and a favorable impact from currency of $25, $340, partially offset by higher costs associated with sales volumes of $88 $78, an unfavorable impact from currency of $30, and unfavorable higher other costs of $22, which were driven by inflation and project development activities.Gross margin of 31.7% increased 510 bp from 26.6% in the prior year, primarily due to positive impacts from lower energy cost pass-through to customers as well as our pricing actions.

Selling and Administrative Expense

Selling and administrative expense of $238.7 increased 10%, or $21.8, primarily due to additional costs to support growth, higher incentive compensation, and inflation. Selling and administrative expense as a percentage of sales increased to 7.9% from 6.8% in the prior year.

Research and Development Expense

Research and development expense of $29.3 increased 18%, or $4.5.Research and development expense as a percentage of sales increased to 1.0% from 0.8% in the prior year.

Business and Asset Actions

Our consolidated income statement for the three months ended 30 June 2023 reflects a charge of $59.0 ($51.2 attributable to Air Products after tax, or $0.23 per share) for strategic business and asset actions intended to optimize costs and focus resources on our growth projects. The charge, which was not recorded in segment results, included a noncash charge of $32.0 to write off assets related to our exit from certain projects previously under construction as well as an expense of $27.0 for severance and other benefits payable to approximately 450 employees as a result of position eliminations and the restructuring of certain organizations. Refer to Note 4, *Business and Asset Actions*, to the consolidated financial statements for additional information.

Other Income (Expense), Net

Other income of $8.0 decreased 63%, or $13.9, primarily due to lower income from the sale of assets and an unfavorable foreign exchange impact.

Operating Income and Operating Margin

Operating income of $644.2 increased 3%, or $16.8, as positive pricing, net of power and fuel costs, of $142 and higher volumes of $24 were partially offset by higher costs of $74, a charge of $59 for business and asset actions, and an unfavorable currency impact of $16. $27. The higher costs were driven by inflationas well as project development planned maintenance, higher depreciation expense, and other costs related to the execution of our growth strategy. Operating margin of 21.2% increased 150 bp from 19.7% in the prior year primarily due to our pricing actions and lower energy cost-pass through, inflation, partially offset by higher costs.

Equity Affiliates' Income

Equity affiliates' income of $165.0 increased 42%, or $48.9, primarily due to a higher contribution from the JIGPC joint venture, which completed the second phase of the asset purchase associated with the Jazan gasification and lower power project in January 2023, as well as higher income from our affiliates in Mexico and Italy.

Interest Expense

	Three Months Ended 30 June	
	2023	2022
Interest incurred	$77.8	$42.0
Less: Capitalized interest	30.4	9.3
Interest expense	$47.4	$32.7

Interest incurred increased 85%, or $35.8, driven by a higher average interest rate on variable-rate instruments in our debt portfolio as well as a higher debt balance from the U.S. Dollar- and Euro-denominated fixed-rate notes issued in March 2023 under our new Green Finance Framework. Capitalized interest increased $21.1 due to a higher carrying value of projects under construction.

Other Non-Operating Income (Expense), Net

Other non-operating expense was $11.7 versus income of $10.5 in the prior year primarily due to higher non-service pension costs in 2023, which were driven by higher interest cost and lower expected returns on plan assets for the U.S. salaried pension plan and the U.K. pension plan. This impact was partially offset by higher interest income on cash and cash items due to higher interest rates.

Net Income and Net Income Margin

Net income of $610.5 increased 4%, or $23.4, ashigher pricing, net of power and fuel costs, and higher equity affiliates' income were partially offset by the charge for business and asset actions, higher non-service pension costs, and higher other costs. Net income margin of 20.1% increased 170 bp, which also included a positive impact from lower energy cost pass-through.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA of $1,208.1 increased 12%, or $127.4, as higher pricing, net of power and fuel costs, and higher equity affiliates' income were partially offset by higher costs. Adjusted EBITDA margin of 39.8% increased 590 bp, which also included a positive impact from lower energy cost pass-through.

Effective Tax Rate

The effective tax rate equals the income tax provision divided by income before taxes. Equity affiliates' income is primarily included net of income taxes within "Income Before Taxes" on our consolidated income statements. Our effective tax rate was 18.6% for both the three months ended 30 June 2023 and 2022. Our adjusted effective tax rate, which does not include the impact of our business and asset actions or non-service pension costs, was 18.4% and 18.5% for the three months ended 30 June 2023 and 2022, respectively.

Discussion of Third Quarter Results by Business Segment

Americas

	Three Months Ended 30 June		Changes	
	2023	2022	$	%/bp
Sales	$1,260.7	$1,416.3	($155.6)	(11 %)
Operating income	374.8	298.9	75.9	25 %
Operating margin	29.7 %	21.1 %		860 bp
Equity affiliates' income	$29.9	$21.4	$8.5	40 %
Adjusted EBITDA	567.8	480.8	87.0	18 %
Adjusted EBITDA margin	45.0 %	33.9 %		1,110 bp

The table below summarizes the major factors that impacted sales in the Americas segment for the periods presented:

Volume	6 %
Price	4 %
Energy cost pass-through to customers	(21 %)
Currency	— %
Total Americas sales change	(11 %)

Sales of $1,260.7 decreased 11%, or $155.6, due to lower energy cost pass-through to customers of 21%, partially offset by higher volumes of 6% and higher pricing of 4%. Lower energy cost pass-through to our on-site customers was driven by lower natural gas prices. The volume improvement was primarily attributable to our on-site business, which benefited from higher demand for hydrogen. Additionally, we recovered higher costs in our merchant business through continued focus on pricing actions. Currency was flat versus the prior year.

Operating income of $374.8 increased 25%, or $75.9, primarily due to positive pricing, net of power and fuel costs, of $68 and favorable volumes of $29, partially offset by higher costs of $20 driven by inflation and planned maintenance. Operating across most regions. Gross margin of 29.7% 31.0% increased 860 260 bp from 21.1% 28.4% in the prior year primarily due to lower energy cost pass-through to customers, which favorably impacted margin by about 300 bp.

Selling and Administrative Expense

Selling and administrative expense of $238.4 increased 2%, or $4.0, primarily due to additional costs to support growth and labor inflation. Selling and administrative expense as a percentage of sales increased to 8.0% from 7.4% in the pricing improvement, partially offset by prior year.

Research and Development Expense

Research and development expense of $25.7 increased 5%, or $1.3. Research and development expense as a percentage of sales increased to 0.9% from 0.8% in the impact of higher costs. prior year.

Equity affiliates' Other Income (Expense), Net

Other income of $29.9 increased 40% $0.8 decreased 90%, or $8.5, driven by our Mexico affiliate. $7.6, primarily due to an unfavorable foreign exchange impact from the devaluation of the Argentine peso.

Asia

	Three Months Ended 30 June		Changes	
	2023	2022	$	%/bp
Sales	$822.9	$751.4	$71.5	10 %
Operating income	240.8	210.6	30.2	14 %
Operating margin	29.3 %	28.0 %		130 bp
Equity affiliates' income	$7.5	$5.7	$1.8	32 %
Adjusted EBITDA	356.6	323.9	32.7	10 %
Adjusted EBITDA margin	43.3 %	43.1 %		20 bp

The table below summarizes the major factors that impacted sales in the Asia segment for the periods presented:

Volume	8 %
Price	4 %
Energy cost pass-through to customers	3 %
Currency	(5 %)
Total Asia sales change	10 %

Sales of $822.9 increased 10%, or $71.5, due to higher volumes of 8%, higher pricing of 4%, Operating Income and higher energy cost pass-through to customers of 3%, partially offset by an unfavorable impact from currency of 5%. The volume improvement was primarily driven by our on-site business, including new plants brought on-stream. Higher power costs across the region were recovered by our merchant pricing actions. In our on-site business, the higher power costs increased energy cost pass-through to our customers. The unfavorable currency impact was primarily attributable to the strengthening of the U.S. Dollar against the Chinese Renminbi, New Taiwan Dollar, and South Korean Won. Operating Margin

Operating income of $240.8 $666.9 increased 14% 2%, or $30.2, due to higher volumes of $29 and $14.9, as positive pricing, net of power and fuel costs, of $16, $41 and higher volumes of $30 were partially offset by unfavorable currency impacts of $10 and higher costs of $5. $56. The higher costs were driven by planned maintenance, labor inflation, and higher depreciation expense. Operating margin of 29.3% 22.2% increased 130 170 bp from 28.0% 20.5% in the prior year due to the volume improvement and positive pricing, partially offset by higher costs.

Equity affiliates' income of $7.5 increased 32%, or $1.8.

Europe

	Three Months Ended

	30 June		Changes	
	2023	2022	$	%/bp
Sales	$706.6	$739.6	($33.0)	(4 %)
Operating income	176.1	137.4	38.7	28 %
Operating margin	24.9 %	18.6 %		630 bp
Equity affiliates' income	$28.8	$20.6	$8.2	40 %
Adjusted EBITDA	253.5	206.9	46.6	23 %
Adjusted EBITDA margin	35.9 %	28.0 %		790 bp

The table below summarizes the major factors that impacted sales in the Europe segment for the periods presented:

Volume	1 %
Price	6 %
Energy cost pass-through to customers	(13 %)
Currency	2 %
Total Europe sales change	(4 %)

Sales of $706.6 decreased 4%, or $33.0, primarily due to lower energy cost pass-through to customers, of 13%, which positively impacted margin by about 200 basis points, as well as our pricing actions, partially offset by higher pricing of 6%, a favorable impact from currency of 2%, and higher volumes of 1%. We recovered higher costs in our merchant business through continued focus on pricing actions. Currency positively impacted sales due to the weakening of the U.S. Dollar against the Euro.Higher volumes in our on-site business driven by improvement in hydrogen were mostly offset by weaker demand for merchant products. Energy cost pass-through to our on-site customers was lower, reflecting lower natural gas prices across the region.

Operating income of $176.1 increased 28%, or $38.7, primarily due to higher pricing, net of power and fuel costs, of $57 and higher volumes of $13, partially offset by higher costs of $33 driven by inflation and higher incentive compensation. Operating margin of 24.9% increased 630 bp from 18.6% in the prior year primarily due to the pricing improvement and lower energy cost pass-through to customers. costs.

Equity affiliates' income of $28.8 increased 40%, or $8.2, driven by an affiliate in Italy. Affiliates' Income

Middle East and India

	Three Months Ended			
	30 June		Changes	
	2023	2022	$	%
Sales	$39.7	$35.4	$4.3	12 %
Operating income	5.8	6.9	(1.1)	(16 %)
Equity affiliates' income	95.5	67.2	28.3	42 %
Adjusted EBITDA	108.3	80.9	27.4	34 %

Sales of $39.7 increased 12%, or $4.3, primarily due to higher merchant volumes. Despite higher sales, operating income of $5.8 decreased 16%, or $1.1, primarily due to higher business development costs. Equity affiliates' income of $95.5 $158.4 increased 42% 44%, or $28.3, due to a higher contribution from the JIGPC joint venture, which completed the second phase of the asset purchase associated with the Jazan gasification and power project in January 2023.

Corporate and other

	Three Months Ended			
	30 June		Changes	
	2023	2022	$	%
Sales	$204.0	$246.6	($42.6)	(17 %)
Operating loss	(94.3)	(26.4)	(67.9)	(257 %)
Adjusted EBITDA	(78.1)	(11.8)	(66.3)	(562 %)

Sales of $204.0 decreased 17%, or $42.6, andoperating loss of $94.3 increased $67.9, primarily due to lower project activity in our sale of equipment business. Our Corporate and other segment also incurs costs to provide corporate support functions and global management activities that benefit all segments, which have increased to support our growth strategy.

FIRST NINE MONTHS 2023 VS. FIRST NINE MONTHS 2022

FIRST NINE MONTHS 2023 IN SUMMARY

- Sales of $9,408.7increased 3%, or $280.1, ashigher pricing of 6% and higher volumes of 4% were partially offset by an unfavorable impact from currency of 4% and lower energy cost pass-through to customers of 3%.
- Operating income of $1,756.0 increased 3%, or $43.7, as our pricing actions and higher volumes were partially offset by a charge of $244.6 for business and asset actions, higher other costs, and unfavorable currency. Despite higher operating income, operating margin of 18.7% decreased 10 bp as the impact of our pricing actions was offset by the charge for business and asset actions and higher other costs.
- Equity affiliates' income of $440.9 increased 15%, or $56.2, $48.4, primarily due to a higher contribution from the JIGPC joint venture, which completed the second phase of the asset purchase associated with the Jazan gasification and power project in January 2023, as well as higher income from our affiliate in Italy. Mexico.

Interest Expense

	Three Months Ended 31 December	
	2023	2022
Interest incurred	$108.6	$56.3
Less: Capitalized interest	55.1	15.1
Interest expense	$53.5	$41.2

Interest incurred increased 93%, or $52.3, driven by a higher debt balance, including borrowings on project financing for the NEOM Green Hydrogen Project as well as the multi-currency green bonds that were issued during the second quarter of fiscal year 2023 to finance projects that are expected to have environmental benefits as defined under our Green Finance Framework. Capitalized interest increased $40.0 due to a higher carrying value of projects under construction, including the NEOM Green Hydrogen Project.

Other Non-Operating Income (Expense), Net

Other non-operating expense of $14.8 increased $14.2, primarily due to higher non-service pension costs as well as lower interest income on cash and cash items. The lower interest income was attributable to a lower balance of time deposits and short-term treasury securities.

Net Income and Net Income Margin

Net income of $621.6 increased 6%, or $37.8, primarily due to higher equity affiliates' income, favorable pricing, and higher volumes, partially offset by higher costs. Net income margin of 20.7% increased 230 bp from 18.4% in the prior year due to the factors noted above as well as lower energy cost pass-through to customers, which positively impacted margin by about 200 bp.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA of $1,174.5 increased 8%, or $91.0, primarily due to higher equity affiliates' income, higher volumes, and favorable pricing, partially offset by higher costs. Adjusted EBITDA margin of 39.2% increased 510 bp from 34.1% in the prior year due to the factors noted above as well as lower energy cost pass-through to customers, which positively impacted margin by about 400 bp.

Effective Tax Rate

The effective tax rate equals the income tax provision divided by income before taxes. Equity affiliates' income is primarily included net of income taxes within income before taxes on our consolidated income statements.

Our effective tax rate was 17.9% and 18.9% for the three months ended 31 December 2023 and 2022, respectively. The current year rate was lower primarily due to earning a greater share of income in jurisdictions with lower tax rates and higher equity affiliates' income. Additionally, we released certain foreign unrecognized tax benefits during the first quarter of fiscal year 2024 upon expiration of the statute of limitations for uncertain tax positions taken in prior years. These impacts were partially offset by the prior year recognition of the remaining deferred profit associated with air separation units previously sold to Jazan Gas Project Company, net of other project finalization costs.

- Net income of $1,644.2 decreased 2%, or $29.3, primarily due to the charge for business and asset actions, higher non-service pension costs, and higher other costs, partially offset by higher pricing, net of power and fuel costs. Net income margin of 17.5% decreased 80 bp.
- Adjusted EBITDA of $3,442.5 increased 11%, or $340.1, and adjusted EBITDA margin of 36.6% increased 260 bp.
- Diluted EPS of $7.22 decreased 4%, or $0.30 per share, and included unfavorable impacts from business and asset actions as well as non-service related pension costs. Adjusted diluted EPS of $8.36 increased 13%, or $0.95 per share. A summary table of changes in diluted EPS is presented below.
- In January 2023, the Board of Directors declared a quarterly dividend of $1.75 per share, representing an 8% increase, or $0.13 per share, from the prior quarterly dividend of $1.62 per share. This is the 41st consecutive year that we have increased our quarterly dividend.

Changes in Diluted EPS Attributable to Air Products

The per share impacts presented in the tables below were calculated independently and may not sum to the total change in diluted EPS due to rounding.

	Nine Months Ended 30 June 2023	2022	Increase (Decrease)
Diluted EPS	**$7.22**	**$7.52**	**($0.30)**
Operating Impacts			
Underlying business			
Volume			$0.24
Price, net of variable costs			1.95
Other costs			(0.83)
Currency			(0.30)
Business and asset actions			(0.92)
Total operating impacts			**$0.14**
Other Impacts			
Equity affiliates' income			$0.21
Interest expense			(0.13)
Other non-operating income/expense, net, excluding discrete item below			0.11
Non-service pension cost/benefit, net			(0.33)
Change in effective tax rate			(0.11)
Noncontrolling interests			(0.18)
Weighted average diluted shares			(0.01)
Total other impacts			**($0.44)**
Total change in diluted EPS			**($0.30)**
% Change from prior year			**(4 %)**

Upon completion of the first phase of the Jazan gasification and power project lower excess tax benefits on share-based compensation in the first quarter of fiscal year 2022, we recognized a net benefit from 2024.
Our adjusted effective tax rate, which excludes the recognition of previously deferred profits, net of other project finalization costs, related to the Jazan Gas Project Company joint venture within "Equity affiliates' income." Our noncontrolling partner's share impact of the project finalization costs favorably impacted EPS within "Noncontrolling interests." Diluted earnings per share non-service components of net periodic cost for our defined benefit pension plans, was 18.1% and 19.1% for the first nine three months of fiscal year 2022 reflects a total net benefit from this event of approximately $0.20 per share.

The table below summarizes the diluted per share impact of our non-GAAP adjustments for the first nine months of fiscal years ended 31 December 2023 and 2022:

	Nine Months Ended 30 June 2023	2022	Increase (Decrease)
Diluted EPS	**$7.22**	**$7.52**	**($0.30)**
Business and asset actions	0.92	—	0.92
Non-service pension cost (benefit), net	0.22	(0.11)	0.33
Adjusted Diluted EPS	**$8.36**	**$7.41**	**$0.95**
% Change from prior year			**13 %**

2022, respectively.

FIRST NINE MONTHS 2023 RESULTS OF OPERATIONS

Discussion of First Nine Months Consolidated Results by Business Segment

	Nine Months Ended

	30 June		Changes	
	2023	2022	$	%/bp
GAAP Measures				
Sales	$9,408.7	$9,128.6	$280.1	3 %
Operating income	1,756.0	1,712.3	43.7	3 %
Operating margin	18.7 %	18.8 %		(10) bp
Equity affiliates' income	$440.9	$384.7	$56.2	15 %
Net income	1,644.2	1,673.5	(29.3)	(2 %)
Net income margin	17.5 %	18.3 %		(80) bp
Non-GAAP Measures				
Adjusted EBITDA	$3,442.5	$3,102.4	$340.1	11 %
Adjusted EBITDA margin	36.6 %	34.0 %		260 bp

Americas

Sales

	Three Months Ended 31 December		Change vs. Prior Year	
	2023	2022	$	%/bp
Sales	$1,252.1	$1,384.2	($132.1)	(10 %)
Operating income	354.4	343.0	11.4	3 %
Operating margin	28.3 %	24.8 %		350 bp
Equity affiliates' income	$37.1	$16.4	$20.7	126 %
Adjusted EBITDA	561.2	515.4	45.8	9 %
Adjusted EBITDA margin	44.8 %	37.2 %		760 bp

The table below summarizes the major factors that impacted consolidated sales in the Americas segment for the periods presented:

Sales % Change from Prior Year	
Volume	43 %
Price	62 %
Energy cost pass-through to customers	(315 %)
Currency	— %
Total Americas Sales Change	(410 %)

Sales of $1,252.1 decreased 10%, or $132.1, due to lower energy cost pass-through to customers of 15%, which was driven by lower natural gas prices, partially offset by higher volumes of 3% and higher pricing of 2%. The volume improvement was attributable to better demand for hydrogen in our on-site business.

Operating income of $354.4 increased 3%, or $11.4, primarily due to positive pricing, net of power and fuel costs, of $33 and favorable volumes of $12, partially offset by higher costs of $34, including higher costs for planned maintenance, higher depreciation expense, and labor inflation. Operating margin of 28.3% increased 350 bp from 24.8% in the prior year primarily due to lower energy cost pass-through to customers, which positively impacted margin by about 400 basis points, as well as our pricing actions, partially offset by higher costs.

Equity affiliates' income of $37.1 increased $20.7 driven by an affiliate in Mexico.

Asia

	Three Months Ended 31 December		Change vs. Prior Year	
	2023	2022	$	%/bp
Sales	$793.8	$777.8	$16.0	2 %
Operating income	211.2	235.9	(24.7)	(10 %)
Operating margin	26.6 %	30.3 %		(370 bp)
Equity affiliates' income	$4.2	$7.4	($3.2)	(43 %)
Adjusted EBITDA	327.2	345.2	(18.0)	(5 %)

Adjusted EBITDA margin	41.2 %	44.4 %		(320 bp)

The table below summarizes the major factors that impacted sales in the Asia segment for the periods presented:

Volume	— %
Price	1 %
Energy cost pass-through to customers	2 %
Currency	(1 %)
Total Consolidated Asia Sales Change	3 2 %

Sales of $9,408.7 $793.8 increased 3% 2%, or $280.1, as $16.0, due to higher energy cost pass-through to customers of 2% and higher pricing of 6% and higher volumes of 4% were 1%, partially offset by an unfavorable impact from currency of 4% and lower energy cost pass-through to customers of 3% 1%.Pricing actions to recover higher costs in our merchant business improved sales across each of our regional segments, primarily in the Americas and Europe. Higher Overall volumes were driven by flat as higher volumes in our on-site business, partially including contributions from several new industrial gas plants, were offset by weak economic growth in China and lower sale demand for helium.

Operating income of equipment project activity. Currency was unfavorable as the U.S. Dollar strengthened against most major currencies.

Cost of Sales and Gross Margin

Cost of sales of $6,625.8 $211.2 decreased 1% 10%, or $91.5, $24.7, primarily due to negative volume mix of $13 and higher costs of $7, including higher maintenance costs and labor inflation. Operating margin of 26.6% decreased 370 bp from 30.3% in the prior year.

Equity affiliates' income of $4.2 decreased 43%, or $3.2, driven by higher maintenance expense for one of our affiliates in China.

Europe

	Three Months Ended 31 December		Change vs. Prior Year	
	2023	2022	$	%/bp
Sales	$731.2	$791.9	($60.7)	(8 %)
Operating income	197.6	145.8	51.8	36 %
Operating margin	27.0 %	18.4 %		860 bp
Equity affiliates' income	$20.7	$17.7	$3.0	17 %
Adjusted EBITDA	266.5	207.8	58.7	28 %
Adjusted EBITDA margin	36.4 %	26.2 %		1,020 bp

The table below summarizes the major factors that impacted sales in the Europe segment for the periods presented:

Volume	9 %
Price	(2 %)
Energy cost pass-through to customers	(20 %)
Currency	5 %
Total Europe Sales Change	(8 %)

Sales of $731.2 decreased 8%, or $60.7, due to lower energy cost pass-through to customers of $316 20%, which was driven by lower natural gas prices, and lower pricing of 2%. These impacts were partially offset by higher volumes of 9% and a favorable impact from currency of $246, 5%. The volume improvement was driven by a facility in Uzbekistan that we acquired in the third quarter of fiscal year 2023. Currency positively impacted sales due to the weakening of the U.S. Dollar against the Euro.

Operating income of $197.6 increased 36%, or $51.8, primarily due to higher volumes of $51, a net pricing impact of $13 due to lower power costs, and favorable currency of $8, partially offset by higher costs associated with sales volumes of $291 and unfavorable other $20. The higher costs of $180, which were driven by labor inflation power and higher costs for our merchant business, project development activities, and planned maintenance. Gross Operating margin of 29.6% 27.0% increased 320 860 bp from 26.4% 18.4% in the prior year primarily due to the positive impact of our pricing actions and factors noted above as well as lower energy cost pass-through to customers, partially offset which positively impacted margin by the unfavorable costs. about 350 bp.

Selling and Administrative Expense

Selling and administrative expense Equity affiliates' income of $724.3 $20.7 increased 7% 17%, or $47.6, primarily due to higher incentive compensation, inflation, $3.0, driven by affiliates in Italy and additional costs to support growth, partially offset by a favorable impact from currency. Selling South Africa.

Middle East and administrative expense as a percentage of sales increased to 7.7% from 7.4% in the prior year.

Research and Development Expense

Research and development expense of $80.9 increased 13%, or $9.1.Research and development expense as a percentage of sales increased to 0.9% from 0.8% in the prior year.India

	Three Months Ended			
	31 December		Change vs. Prior Year	
	2023	2022	$	%
Sales	$35.4	$41.4	($6.0)	(14 %)
Operating income	3.9	6.7	(2.8)	(42 %)
Equity affiliates' income	92.9	64.1	28.8	45 %
Adjusted EBITDA	103.4	77.4	26.0	34 %

Business

Sales of $35.4 decreased 14%, or $6.0, and Asset Actions

Our consolidated income statement for the nine months ended 30 June 2023 reflects a charge of $244.6 ($204.9 attributable to Air Products after tax, or $0.92 per share) for strategic business and asset actions intended to optimize costs and focus resources on our growth projects. The charge, which was not recorded in segment results, included a noncash charge of $217.6 to write off assets related to our exit from certain projects previously under construction as well as an expense of $27.0 for severance and other benefits payable to approximately 450 employees as a result of position eliminations and the restructuring of certain organizations. Refer to Note 4, *Business and Asset Actions*, to the consolidated financial statements for additional information.

Other Income (Expense), Net

Other operating income of $22.9 $3.9 decreased 54% 42%, or $26.6, $2.8, primarily due to lower income from the sale of assets and an unfavorable foreign exchange impact.

Operating Income and Operating Margin

Operating income of $1,756.0 increased 3%, or $43.7, as positive pricing, net of power and fuel costs, of $531 and higher volumes of $65 were partially offset by a charge of $245 for business and asset actions, higher other costs of $225, and an unfavorable currency impact of $82. Higher other costs were driven by inflation, planned maintenance,and incentive compensation, as well as project development and other costs related to the execution of our growth strategy. Despite higher operating income, operating margin of 18.7% decreased 10 bp as the impact of our pricing actions was offset by the charge for business and asset actions and higher other costs.

Equity Affiliates' Income volumes.

Equity affiliates' income of $440.9 $92.9 increased 15% 45%, or $56.2, $28.8, primarily due to a higher contribution from the JIGPC joint venture, which completed the second phase of the asset purchase associated with the Jazan gasification and power project in January 2023, as well as higher income from our affiliate in Italy. These impacts were partially offset by the prior year recognition of the remaining deferred profit associated with air separation units previously sold to Jazan Gas Project Company, net of other project finalization costs.

Interest Expense

	Nine Months Ended	
	30 June	
	2023	2022
Interest incurred	$198.2	$123.4
Less: Capitalized interest	68.7	27.9
Interest expense	$129.5	$95.5

Interest incurred increased 61%, or $74.8, driven by a higher average interest rate on variable-rate instruments in our debt portfolio as well as a higher debt balance from U.S. Dollar- and Euro-denominated fixed-rate notes issued in March 2023 under our new Green Finance Framework. Capitalized interest increased $40.8 due to a higher carrying value of projects under construction.

Other Non-Operating Income (Expense), net

Other non-operating expense was $26.2 versus income of $42.2 in the prior year primarily due to higher non-service pension costs in 2023, which were driven by higher interest cost and lower expected returns on plan assets for the U.S. salaried pension plan and the U.K. pension plan. This impact was partially offset by higher interest income on cash and cash items due to higher interest rates.

Net Income and Net Income Margin

Net income of $1,644.2 decreased 2%, or $29.3, primarily due to the charge for business and asset actions, higher non-service pension costs, and higher other costs, partially offset by higher pricing, net of power and fuel costs. Net income margin of 17.5% decreased 80 bp.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA of $3,442.5 increased 11%, or $340.1, primarily due to higher pricing, net of power and fuel costs, partially offset by higher costs. Adjusted EBITDA margin of 36.6% increased 260 bp.

Effective Tax Rate

Our effective tax rate was 19.4% and 18.1% for the nine months ended 30 June 2023 and 2022, respectively.

During the first nine months of fiscal year 2023, we recorded a charge for business and asset actions of $244.6 ($204.9 attributable to Air Products after tax). Refer to Note 4, *Business and Asset Actions*, to the consolidated financial statements for additional information. The charge included certain losses for which we could not recognize an income tax benefit and were subject to a valuation allowance of $36.0. Partially offsetting the valuation allowance cost was a $15.9 income tax benefit from a tax election related to a non-U.S. subsidiary.

Our effective tax rate for the current year was higher due to lower excess tax benefits on share-based compensation and the discrete tax impact of our business and asset actions discussed above. In addition, certain recurring income tax benefits had a lower impact on our effective tax rate in the current year as they did not increase in proportion to the increase to income. Our current rate is also higher due to nonrecurring benefits in several foreign jurisdictions due to the impact of tax rate changes and productivity credit claims in the prior year.

Our adjusted effective tax rate, which does not include the impact of our business and asset actions discussed above, was 19.1% and 18.0% for the nine months ended 30 June 2023 and 2022, respectively.

Discussion of First Nine Months Results by Business Segment

Americas

	Nine Months Ended 30 June		Changes	
	2023	2022	$	%/bp
Sales	$4,018.0	$3,827.0	$191.0	5 %
Operating income	1,042.0	841.6	200.4	24 %
Operating margin	25.9 %	22.0 %		390 bp
Equity affiliates' income	$74.4	$75.7	($1.3)	(2 %)
Adjusted EBITDA	1,597.2	1,386.8	210.4	15 %
Adjusted EBITDA margin	39.8 %	36.2 %		360 bp

The table below summarizes the major factors that impacted sales in the Americas segment for the periods presented:

Volume	7 %
Price	7 %
Energy cost pass-through to customers	(8 %)
Currency	(1 %)
Total Americas sales change	5 %

Sales of $4,018.0 increased 5%, or $191.0, due to higher volumes of 7% and higher pricing of 7%, partially offset by lower energy cost pass-through to customers of 8% and an unfavorable currency impact of 1%. The volume improvement was primarily attributable to our on-site business, including better demand for hydrogen. Additionally, we recovered higher costs in our merchant business through continued focus on pricing actions. Energy cost pass-through to our on-site customers was lower driven by lower natural gas prices.

Operating income of $1,042.0 increased 24%, or $200.4, due to positive pricing, net of power and fuel costs, of $244 and favorable volumes of $58, partially offset by higher costs of $95 and an unfavorable currency impact of $7. Higher costs were driven by inflation, planned maintenance, and higher incentive compensation. Operating margin of 25.9% increased 390 bp from 22.0% in the prior year, primarily due to the pricing improvement and lower energy cost pass-through to customers, partially offset by the impact of higher costs.

Equity affiliates' income of $74.4 decreased 2%, or $1.3.

Asia

	Nine Months Ended 30 June		Changes	
	2023	2022	$	%/bp
Sales	$2,414.6	$2,283.0	$131.6	6 %
Operating income	709.7	635.3	74.4	12 %
Operating margin	29.4 %	27.8 %		160 bp

Equity affiliates' income	$22.2	$18.5	$3.7	20 %
Adjusted EBITDA	1,052.1	984.0	68.1	7 %
Adjusted EBITDA margin	43.6 %	43.1 %		50 bp

The table below summarizes the major factors that impacted sales in the Asia segment for the periods presented:

Volume	7 %
Price	3 %
Energy cost pass-through to customers	3 %
Currency	(7 %)
Total Asia sales change	6 %

Sales of $2,414.6 increased 6%, or $131.6, due to higher volumes of 7%, higher pricing of 3%, and higher energy cost pass-through to customers of 3%, partially offset by an unfavorable currency impact of 7%. The volume improvement was primarily driven by our on-site business, including several traditional industrial gas plants that were brought on-stream across the region. Higher power costs across the region were recovered by our merchant pricing actions. In our on-site business, the higher power costs increased energy cost pass-through to our customers. The unfavorable currency impact was primarily attributable to the strengthening of the U.S. Dollar against the Chinese Renminbi and the South Korean Won.

Operating income of $709.7 increased 12%, or $74.4, due to higher volumes of $83 and positive pricing, net of power and fuel costs, of $56, partially offset by an unfavorable currency impact of $48 and higher costs of $17 driven by project development, higher planned maintenance, and inflation. Operating margin of 29.4% increased 160 bp from 27.8% in the prior year due to the volume improvement and positive pricing, partially offset by higher costs.

Equity affiliates' income of $22.2 increased 20%, or $3.7.

Europe

	Nine Months Ended 30 June		Changes	
	2023	2022	$	%/bp
Sales	$2,251.4	$2,222.4	$29.0	1 %
Operating income	495.1	353.0	142.1	40 %
Operating margin	22.0 %	15.9 %		610 bp
Equity affiliates' income	$76.0	$57.8	$18.2	31 %
Adjusted EBITDA	712.3	559.8	152.5	27 %
Adjusted EBITDA margin	31.6 %	25.2 %		640 bp

The table below summarizes the major factors that impacted sales in the Europe segment for the periods presented:

Volume	(1 %)
Price	10 %
Energy cost pass-through to customers	(3 %)
Currency	(5 %)
Total Europe sales change	1 %

Sales of $2,251.4 increased 1%, or $29.0, due to higher pricing of 10%, partially offset by an unfavorable impact from currency of 5%, lower energy cost pass-through to customers of 3%, and lower volumes of 1%. We recovered higher costs in our merchant business through continued focus on pricing actions. Currency negatively impacted sales due to the strengthening of the U.S. Dollar against the Euro and the British Pound Sterling. Energy cost pass-through to our on-site customers was lower, reflecting lower natural gas prices across the region. Volumes declined slightly as lower demand for merchant products was partially offset by improvement in hydrogen in our on-site business.

Operating income of $495.1 increased 40%, or $142.1, as higher pricing, net of power and fuel costs, of $224 was partially offset by higher costs of $58 driven by inflation, higher incentive compensation, and planned maintenance, an unfavorable currency impact of $18, and lower volumes of $6. Operating margin of 22.0% increased 610 bp from 15.9% in the prior year primarily due to the pricing improvement, partially offset by higher costs.

Equity affiliates' income of $76.0 increased 31%, or $18.2, driven by an affiliate in Italy.

Middle East and India

Nine Months Ended

	30 June		Changes	
	2023	2022	$	%
Sales	$125.9	$88.0	$37.9	43 %
Operating income	13.8	16.5	(2.7)	(16 %)
Equity affiliates' income	258.5	230.6	27.9	12 %
Adjusted EBITDA	292.5	266.9	25.6	10 %

Sales of $125.9 increased 43%, or $37.9, driven by higher merchant volumes. Despite higher sales, operating income of $13.8 decreased 16%, or $2.7, primarily due to higher costs for business development and planned maintenance. Equity affiliates' income of $258.5 increased 12%, or $27.9. In January 2023, we made an additional investment in the JIGPC joint venture, which completed the second phase of the asset purchase associated with the Jazan gasification and power project. The resulting higher contribution from JIGPC was partially offset by a prior year net benefit recognized for the remaining deferred profit associated with air separation units previously sold to Jazan Gas Project Company, net of other project finalization costs. 2023.

Corporate and other

		Nine Months Ended 30 June		Changes											
		2023	2022	$	%										
		Three Months Ended 31 December 31 December 31 December										Change vs. Prior Year			
		2023							2023			2022		$	%
Sales	Sales	$598.8	$708.2	($109.4)	(15 %)	Sales	$184.9	$179.4		$179.4	$5.5		$5.5	3	3 %
Operating loss	Operating loss	(260.0)	(134.1)	(125.9)	(94 %)	Operating loss	(100.2)	(79.4)		(79.4)	(20.8)		(20.8)	(26	(26 %)
Adjusted EBITDA	Adjusted EBITDA	(211.6)	(95.1)	(116.5)	(123 %)	Adjusted EBITDA	(83.8)	(62.3)		(62.3)	(21.5)		(21.5)	(35	(35 %)

Sales of $598.8 decreased 15% $184.9 increased 3%, or $109.4, $5.5, and reflected higher LNG sale of equipment activity. Despite higher sales, operating loss of $260.0 $100.2 increased $125.9, 26%, or $20.8, primarily due to lower project activity in our higher costs for certain non-LNG sale of equipment business. Our Corporate and other segment also incurs costs to provide corporate support functions and global management activities that benefit all segments, which have increased to support our growth strategy. projects.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

(Millions of U.S. Dollars unless otherwise indicated, except for per share data)

We present certain financial measures, other than in accordance with U.S. generally accepted accounting principles ("GAAP"), on an "adjusted" or "non-GAAP" basis. On a consolidated basis, these measures include adjusted diluted earnings per share ("EPS"), adjusted EBITDA, adjusted EBITDA margin, the adjusted effective tax rate, and capital expenditures. On a segment basis, these measures include adjusted EBITDA and adjusted EBITDA margin. In addition to these measures, we also present certain supplemental non-GAAP financial measures to help the reader understand the impact that certain disclosed items, or "non-GAAP adjustments," have on the calculation of our adjusted diluted EPS. For each non-GAAP financial measure, we present a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP.

In many cases, non-GAAP financial measures are determined by adjusting the most directly comparable GAAP measure to exclude non-GAAP adjustments that we believe are not representative of our underlying business performance. For example, we exclude the impact of the non-service components of net periodic benefit/cost for our defined benefit pension plans plans. Non-service related components are recurring, non-operating items that include interest cost, expected returns on plan assets, prior service cost amortization, actuarial loss amortization, as further discussed below. Additionally, we well as special termination benefits, curtailments, and settlements. The net impact of non-service related components is reflected within “Other non-operating income (expense), net” on our consolidated income statements. Adjusting for the impact of non-service pension components provides management and users of our financial statements with a more accurate representation of our underlying business performance because these components are driven by factors that are unrelated to our operations, such as volatility in equity and debt markets. Further, non-service related components are not indicative of our defined benefit plans’ future contribution needs due to the funded status of the plans. We may also exclude certain expenses associated with cost reduction actions, impairment charges, and gains on disclosed transactions. The reader should be aware that we may recognize similar losses or gains in the future.

When applicable, the tax impact of our pre-tax non-GAAP adjustments reflects the expected current and deferred income tax impact of our non-GAAP adjustments. These tax impacts are primarily driven by the statutory tax rate of the various relevant jurisdictions and the taxability of the adjustments in those jurisdictions.

We provide these non-GAAP financial measures to allow investors, potential investors, securities analysts, and others to evaluate the performance of our business in the same manner as our management. We believe these measures, when viewed together with financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results. However, we caution readers not to consider these measures in isolation or as a substitute for the most directly comparable measures calculated in accordance with GAAP. Readers should also consider the limitations associated with these non-GAAP financial measures, including the potential lack of comparability of these measures from one company to another.

NON-GAAP ADJUSTMENT FOR NON-SERVICE PENSION COST (BENEFIT), NET

Effective beginning in the first quarter of fiscal year 2023, our adjusted EPS and the adjusted effective tax rate exclude the impact of non-service related components of net periodic benefit/cost for our defined benefit pension plans. The prior year non-GAAP financial measures presented below have been recast accordingly to conform to the fiscal year 2023 presentation. Non-service related components are recurring, non-operating items that include interest cost, expected returns on plan assets, prior service cost amortization, actuarial loss amortization, as well as special termination benefits, curtailments, and settlements. The net impact of non-service related components is reflected within “Other non-operating income (expense), net” on our consolidated income statements. Adjusting for the impact of non-service pension components provides management and users of our financial statements with a more accurate representation of our underlying business performance because these components are driven by factors that are unrelated to our operations, such as recent changes to the allocation of our pension plan assets associated with de-risking as well as volatility in equity and debt markets. Further, non-service related components are not indicative of our defined benefit plans’ future contribution needs due to the funded status of the plans.

ADJUSTED DILUTED EPS

The table below provides a reconciliation to the most directly comparable GAAP measure for each of the major components used to calculate adjusted diluted EPS from continuing operations, which we view as a key performance metric. In periods that we have non-GAAP adjustments, we believe it is important for the reader to understand the per share impact of each such adjustment because management does not consider these impacts when evaluating underlying business performance. Per share impacts are calculated independently and may not sum to total diluted EPS and total adjusted diluted EPS due to rounding.

	Three Months Ended 30 June					
Q3 2023 vs. Q3 2022	Operating Income	Equity Affiliates' Income	Other Non-Operating Income/Expense, Net	Income Tax Provision	Net Income Attributable to Air Products	Diluted EPS
Q3 2023 GAAP	$644.2	$165.0	($11.7)	$139.6	$595.6	$2.67
Q3 2022 GAAP	627.4	116.1	10.5	134.2	582.1	2.62
$ Change GAAP						$0.05
% Change GAAP						2 %
Q3 2023 GAAP	$644.2	$165.0	($11.7)	$139.6	$595.6	$2.67
Business and asset actions	59.0	—	—	7.8	51.2	0.23
Non-service pension cost, net	—	—	22.0	5.4	16.6	0.07
Q3 2023 Non-GAAP ("Adjusted")	$703.2	$165.0	$10.3	$152.8	$663.4	$2.98
Q3 2022 GAAP	$627.4	$116.1	$10.5	$134.2	$582.1	$2.62
Non-service pension benefit, net	—	—	(9.5)	(2.3)	(7.2)	(0.03)
Q3 2022 Non-GAAP ("Adjusted")	$627.4	$116.1	$1.0	$131.9	$574.9	$2.58
$ Change Non-GAAP ("Adjusted")						$0.40
% Change Non-GAAP ("Adjusted")						16 %

	Nine Months Ended 30 June					
2023 vs. 2022	Operating Income	Equity Affiliates' Income	Other Non-Operating Income/Expense, Net	Income Tax Provision	Net Income Attributable to Air Products	Diluted EPS

2023 GAAP	$1,756.0	$440.9	($26.2)	$397.0	$1,607.6	$7.22
2022 GAAP	1,712.3	384.7	42.2	370.2	1,673.0	7.52
$ Change GAAP						($0.30)
% Change GAAP						(4 %)
2023 GAAP	$1,756.0	$440.9	($26.2)	$397.0	$1,607.6	$7.22
Business and asset actions(A)	244.6	—	—	34.7	204.9	0.92
Non-service pension cost, net	—	—	64.4	16.0	48.4	0.22
2023 Non-GAAP ("Adjusted")	$2,000.6	$440.9	$38.2	$447.7	$1,860.9	$8.36
2022 GAAP	$1,712.3	$384.7	$42.2	$370.2	$1,673.0	$7.52
Non-service pension benefit, net	—	—	(33.4)	(8.1)	(25.3)	(0.11)
2022 Non-GAAP ("Adjusted")	$1,712.3	$384.7	$8.8	$362.1	$1,647.7	$7.41
$ Change Non-GAAP ("Adjusted")						$0.95
% Change Non-GAAP ("Adjusted")						13 %

(A) Charge includes $5.0 attributable to noncontrolling interests.

	Three Months Ended 31 December					
Q1 2024 vs. Q1 2023	Operating Income	Equity Affiliates' Income	Other Non-Operating Income/Expense, Net	Income Tax Provision	Net Income Attributable to Air Products	Diluted EPS
Q1 2024 GAAP	$666.9	$158.4	($14.8)	$135.4	$609.3	$2.73
Q1 2023 GAAP	652.0	110.0	(0.6)	136.4	572.2	2.57
$ Change GAAP						$0.16
% Change GAAP						6 %
Q1 2024 GAAP	$666.9	$158.4	($14.8)	$135.4	$609.3	$2.73
Non-service pension cost, net	—	—	24.9	6.2	18.7	0.08
Q1 2024 Non-GAAP ("Adjusted")	$666.9	$158.4	$10.1	$141.6	$628.0	$2.82
Q1 2023 GAAP	$652.0	$110.0	($0.6)	$136.4	$572.2	$2.57
Non-service pension cost, net	—	—	19.5	4.9	14.6	0.07
Q1 2023 Non-GAAP ("Adjusted")	$652.0	$110.0	$18.9	$141.3	$586.8	$2.64
$ Change Non-GAAP ("Adjusted")						$0.18
% Change Non-GAAP ("Adjusted")						7 %

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

We define adjusted EBITDA as net income less income from discontinued operations, net of tax, and excluding non-GAAP adjustments, which we do not believe to be indicative of underlying business trends, before interest expense, other non-operating income (expense), net, income tax provision, and depreciation and amortization expense. Adjusted EBITDA and adjusted EBITDA margin provide useful metrics for management to assess operating performance. Margins are calculated independently for each period by dividing each line item by consolidated sales for the respective period and may not sum to total margin due to rounding.

The tables table below present presents consolidated sales and a reconciliation of net income on a GAAP basis to adjusted EBITDA and net income margin on a GAAP basis to adjusted EBITDA margin:

	Three Months Ended 31 December	
	Three Months Ended 31 December	
	Three Months Ended 31 December	
	2023	
	2023	

2023
$
$
$
Sales
Sales
Sales
Net income and net income margin
Net income and net income margin
Net income and net income margin
Add: Interest expense
Add: Interest expense
Add: Interest expense
Less: Other non-operating income (expense), net
Less: Other non-operating income (expense), net
Less: Other non-operating income (expense), net
Add: Income tax provision
Add: Income tax provision
Add: Income tax provision
Add: Depreciation and amortization
Add: Depreciation and amortization
Add: Depreciation and amortization

	Three Months Ended 30 June				Nine Months Ended 30 June			
	2023		2022		2023		2022	
	$	Margin	$	Margin	$	Margin	$	Margin
Sales	$3,033.9		$3,189.3		$9,408.7		$9,128.6	
Net income and net income margin	$610.5	20.1 %	$587.1	18.4 %	$1,644.2	17.5 %	$1,673.5	18.3 %
Add: Interest expense	47.4	1.6 %	32.7	1.0 %	129.5	1.4 %	95.5	1.0 %
Less: Other non-operating income (expense), net	(11.7)	(0.4 %)	10.5	0.3 %	(26.2)	(0.3 %)	42.2	0.5 %
Add: Income tax provision	139.6	4.6 %	134.2	4.2 %	397.0	4.2 %	370.2	4.1 %
Add: Depreciation and amortization	339.9	11.2 %	337.2	10.6 %	1,001.0	10.6 %	1,005.4	11.0 %
Add: Business and asset actions	59.0	1.9 %	—	— %	244.6	2.6 %	—	— %
Adjusted EBITDA and adjusted EBITDA margin	$1,208.1	39.8 %	$1,080.7	33.9 %	$3,442.5	36.6 %	$3,102.4	34.0 %
Change GAAP								

Adjusted EBITDA and adjusted EBITDA margin
Adjusted EBITDA and adjusted EBITDA margin
Adjusted EBITDA and adjusted EBITDA margin
Change GAAP
Change GAAP
Change GAAP

Net income $ change

Net income $ change

Net income $ change	Net income $ change	$23.4	($29.3)
Net income % change	Net income % change	4%	(2%)

Net income % change

Net income % change

Net income margin change

Net income margin change

Net income margin change	Net income margin change	170 bp	(80) bp
Change Non-GAAP	**Change Non-GAAP**		

Change Non-GAAP

Change Non-GAAP

Adjusted EBITDA $ change

Adjusted EBITDA $ change

Adjusted EBITDA $ change	Adjusted EBITDA $ change	$127.4	$340.1
Adjusted EBITDA % change	Adjusted EBITDA % change	12%	11%

Adjusted EBITDA % change

Adjusted EBITDA % change

Adjusted EBITDA margin change	Adjusted EBITDA margin change	590 bp	260 bp

Adjusted EBITDA margin change

Adjusted EBITDA margin change

The tables below present sales and a reconciliation of operating income and operating margin by segment to adjusted EBITDA and adjusted EBITDA margin by segment for the three and nine months ended 30 June 31 December 2023 and 2022:

Americas

	Three Months Ended				Nine Months Ended			
	30 June		Changes vs. Prior Year		30 June		Changes vs. Prior Year	
	2023	2022	$	%/bp	2023	2022	$	%/bp

Three Months Ended

Three Months Ended

Three Months Ended

31 December

31 December

31 December

2023

2023

2023

Sales

Sales

Sales	Sales	$1,260.7	$1,416.3	($155.6)	(11 %)	$4,018.0	$3,827.0	$191.0	5 %
Operating income	Operating income	$374.8	$298.9	$75.9	25 %	$1,042.0	$841.6	$200.4	24 %

Operating income

Operating income

Operating margin

Operating margin

Operating margin	Operating margin	29.7 %	21.1 %		860 bp	25.9 %	22.0 %		390 bp
Reconciliation of GAAP to Non-GAAP:	Reconciliation of GAAP to Non-GAAP:								

Reconciliation of GAAP to Non-GAAP:

Reconciliation of GAAP to Non-GAAP:

Operating income

Operating income

Operating income	Operating income	$374.8	$298.9			$1,042.0	$841.6		
Add: Depreciation and amortization	Add: Depreciation and amortization	163.1	160.5			480.8	469.5		

Add: Depreciation and amortization

Add: Depreciation and amortization

Add: Equity affiliates' income

Add: Equity affiliates' income

Add: Equity affiliates' income	Add: Equity affiliates' income	29.9	21.4			74.4	75.7		
Adjusted EBITDA	Adjusted EBITDA	$567.8	$480.8	$87.0	18 %	$1,597.2	$1,386.8	$210.4	15 %

Adjusted EBITDA

Adjusted EBITDA

Adjusted EBITDA margin	Adjusted EBITDA margin	45.0 %	33.9 %		1,110 bp	39.8 %	36.2 %		360 bp

Adjusted EBITDA margin

Adjusted EBITDA margin

Asia

	Three Months Ended				Nine Months Ended			
	30 June		Changes vs. Prior Year		30 June		Changes vs. Prior Year	
	2023	2022	$	%/bp	2023	2022	$	%/bp

Three Months Ended

Three Months Ended

Three Months Ended

31 December

31 December

31 December

2023

		2023							
		2023							
Sales									
Sales									
Sales	Sales	$822.9	$751.4	$71.5	10 %	$2,414.6	$2,283.0	$131.6	6 %
Operating income	Operating income	$240.8	$210.6	$30.2	14 %	$709.7	$635.3	$74.4	12 %
Operating income									
Operating income									
Operating margin									
Operating margin									
Operating margin	Operating margin	29.3 %	28.0 %		130 bp	29.4 %	27.8 %		160 bp
Reconciliation of GAAP to Non-GAAP:	Reconciliation of GAAP to Non-GAAP:								
Reconciliation of GAAP to Non-GAAP:									
Reconciliation of GAAP to Non-GAAP:									
Operating income									
Operating income									
Operating income	Operating income	$240.8	$210.6			$709.7	$635.3		
Add: Depreciation and amortization	Add: Depreciation and amortization	108.3	107.6			320.2	330.2		
Add: Depreciation and amortization									
Add: Depreciation and amortization									
Add: Equity affiliates' income									
Add: Equity affiliates' income									
Add: Equity affiliates' income	Add: Equity affiliates' income	7.5	5.7			22.2	18.5		
Adjusted EBITDA	Adjusted EBITDA	$356.6	$323.9	$32.7	10 %	$1,052.1	$984.0	$68.1	7 %
Adjusted EBITDA									
Adjusted EBITDA									
Adjusted EBITDA margin	Adjusted EBITDA margin	43.3 %	43.1 %		20 bp	43.6 %	43.1 %		50 bp
Adjusted EBITDA margin									
Adjusted EBITDA margin									

Europe

	Three Months Ended				Nine Months Ended			
	30 June		Changes vs. Prior Year		30 June		Changes vs. Prior Year	
	2023	2022	$	%/bp	2023	2022	$	%/bp
	Three Months Ended							
	Three Months Ended							
	Three Months Ended 31 December							

31 December
31 December
2023
2023
2023

Sales
Sales

Sales	Sales	$706.6	$739.6	($33.0)	(4 %)	$2,251.4	$2,222.4	$29.0	1 %
Operating income	Operating income	$176.1	$137.4	$38.7	28 %	$495.1	$353.0	$142.1	40 %

Operating income
Operating income
Operating margin
Operating margin

Operating margin	Operating margin	24.9 %	18.6 %		630 bp	22.0 %	15.9 %		610 bp
Reconciliation of GAAP to Non-GAAP:	Reconciliation of GAAP to Non-GAAP:								

Reconciliation of GAAP to Non-GAAP:
Reconciliation of GAAP to Non-GAAP:
Operating income
Operating income

Operating income	Operating income	$176.1	$137.4			$495.1	$353.0		
Add: Depreciation and amortization	Add: Depreciation and amortization	48.6	48.9			141.2	149.0		

Add: Depreciation and amortization
Add: Depreciation and amortization
Add: Equity affiliates' income
Add: Equity affiliates' income

Add: Equity affiliates' income	Add: Equity affiliates' income	28.8	20.6			76.0	57.8		
Adjusted EBITDA	Adjusted EBITDA	$253.5	$206.9	$46.6	23 %	$712.3	$559.8	$152.5	27 %

Adjusted EBITDA
Adjusted EBITDA

Adjusted EBITDA margin	Adjusted EBITDA margin	35.9 %	28.0 %		790 bp	31.6 %	25.2 %		640 bp

Adjusted EBITDA margin
Adjusted EBITDA margin

Middle East and India

	Three Months Ended				Nine Months Ended			
	30 June		Changes vs. Prior Year		30 June		Changes vs. Prior Year	
	2023	2022	$	%/bp	2023	2022	$	%/bp

Three Months Ended
Three Months Ended
Three Months Ended
31 December

31 December
31 December
2023
2023
2023

Sales
Sales

Sales	Sales	$39.7	$35.4	$4.3	12 %	$125.9	$88.0	$37.9	43 %
Operating income	Operating income	$5.8	$6.9	($1.1)	(16 %)	$13.8	$16.5	($2.7)	(16 %)

Operating income
Operating income

Reconciliation of GAAP to Non-GAAP:
Reconciliation of GAAP to Non-GAAP:

Reconciliation of GAAP to Non-GAAP:	Reconciliation of GAAP to Non-GAAP:								
Operating income	Operating income	$5.8	$6.9			$13.8	$16.5		

Operating income
Operating income
Add: Depreciation and amortization
Add: Depreciation and amortization

Add: Depreciation and amortization	Add: Depreciation and amortization	7.0	6.8			20.2	19.8		
Add: Equity affiliates' income	Add: Equity affiliates' income	95.5	67.2			258.5	230.6		

Add: Equity affiliates' income
Add: Equity affiliates' income

Adjusted EBITDA	Adjusted EBITDA	$108.3	$80.9	$27.4	34 %	$292.5	$266.9	$25.6	10 %

Adjusted EBITDA
Adjusted EBITDA

Corporate and other

	Three Months Ended				Nine Months Ended			
	30 June		Changes vs. Prior Year		30 June		Changes vs. Prior Year	
	2023	2022	$	%/bp	2023	2022	$	%/bp

Three Months Ended
Three Months Ended
Three Months Ended
31 December
31 December
31 December
2023
2023
2023

Sales
Sales

Sales	$204.0	$246.6	($42.6)	(17 %)	$598.8	$708.2	($109.4)	(15 %)
Operating loss	($94.3)	($26.4)	($67.9)	(257 %)	($260.0)	($134.1)	($125.9)	(94 %)
Reconciliation of GAAP to Non-GAAP:								
Operating loss	($94.3)	($26.4)			($260.0)	($134.1)		
Add: Depreciation and amortization	12.9	13.4			38.6	36.9		
Add: Equity affiliates' income	3.3	1.2			9.8	2.1		
Adjusted EBITDA	($78.1)	($11.8)	($66.3)	(562 %)	($211.6)	($95.1)	($116.5)	(123 %)

Operating loss
Operating loss
Reconciliation of GAAP to Non-GAAP:
Reconciliation of GAAP to Non-GAAP:
Operating loss
Operating loss
Add: Depreciation and amortization
Add: Depreciation and amortization
Add: Equity affiliates' income
Add: Equity affiliates' income
Adjusted EBITDA
Adjusted EBITDA

ADJUSTED EFFECTIVE TAX RATE

The effective tax rate equals the income tax provision divided by income before taxes. We calculate our adjusted effective tax rate by adjusting the numerator and denominator to exclude the tax and before tax impacts of our non-GAAP adjustments, respectively. The table below presents a reconciliation of the GAAP effective tax rate to our adjusted effective tax rate:

	Three Months Ended 31 December			
	Three Months Ended 30 June		Nine Months Ended 30 June	
	2023	2022	2023	2022
Income tax provision	$139.6	$134.2	$397.0	$370.2

Income tax provision
Income tax provision

Income before taxes	Income before taxes	750.1	721.3	2,041.2	2,043.7
Income before taxes					
Income before taxes					
Effective tax rate					
Effective tax rate					
Effective tax rate	Effective tax rate	18.6 %	18.6 %	19.4 %	18.1 %
Income tax provision	Income tax provision	$139.6	$134.2	$397.0	$370.2
Business and asset actions		7.8	—	34.7	—
Income tax provision					
Income tax provision					
Non-service pension tax impact					
Non-service pension tax impact					
Non-service pension tax impact	Non-service pension tax impact	5.4	(2.3)	16.0	(8.1)
Adjusted income tax provision	Adjusted income tax provision	$152.8	$131.9	$447.7	$362.1
Adjusted income tax provision					
Adjusted income tax provision					
Income before taxes	Income before taxes	$750.1	$721.3	$2,041.2	$2,043.7
Business and asset actions		59.0	—	244.6	—
Non-service pension cost (benefit), net		22.0	(9.5)	64.4	(33.4)
Income before taxes					
Income before taxes					
Non-service pension cost, net					
Non-service pension cost, net					

Non-service pension cost, net					
Adjusted income before taxes					
Adjusted income before taxes					
Adjusted income before taxes	Adjusted income before taxes	$831.1	$711.8	$2,350.2	$2,010.3
Adjusted effective tax rate	Adjusted effective tax rate	18.4 %	18.5 %	19.1 %	18.0 %
Adjusted effective tax rate					
Adjusted effective tax rate					

CAPITAL EXPENDITURES

We Capital expenditures is a non-GAAP financial measure that we define capital expenditures as the sum of cash flows for additions to plant and equipment, including long-term deposits, acquisitions (less cash acquired), investment in and advances to unconsolidated affiliates, and investment in financing receivables on our consolidated statement statements of cash flows. Beginning in fiscal year 2023, Additionally, we adjust capital expenditures additions to plant and equipment to exclude NEOM Green Hydrogen Company ("NGHC") spending reflected in "Additions to plant and equipment, including long-term deposits" that is ultimately expenditures funded through by the joint venture's non-recourse project financing as well as our joint venture partners' partners' equity contributions to NGHC as well as non-recourse project financing obtained by NGHC. We believe adjusting for NGHC expenditures not funded by Air Products' equity to arrive at capital expenditures provides users a measure that we believe is more representative of our financial statements with a better understanding of investment activities. Substantially all the investment on which funding we expect provide to make a return. NGHC is limited for use by the venture for capital expenditures.

A reconciliation of cash used for investing activities to our reported capital expenditures is provided below:

		Nine Months Ended 30 June	
		2023	2022
		Three Months Ended	
		Three Months Ended	
		Three Months Ended	
		31 December	31 December
		2023	2023
			2022
Cash used for investing activities	Cash used for investing activities	$4,399.8	$2,844.1
Proceeds from sale of assets and investments	Proceeds from sale of assets and investments	13.3	32.8
Purchases of investments	Purchases of investments	(443.4)	(1,247.9)
Proceeds from investments	Proceeds from investments	766.0	2,219.2
Other investing activities	Other investing activities	4.8	6.9

NGHC expenditures not funded by Air Products' equity		(656.0)	—
NGHC expenditures not funded by Air Products' equity(A)			
Capital expenditures	Capital expenditures	$4,084.5	$3,855.1

(A) Reflects the portion of "Additions to plant and equipment, including long-term deposits" that is associated with NGHC, less our approximate cash investment in the joint venture.

LIQUIDITY AND CAPITAL RESOURCES

Our We believe we have sufficient cash, balance and cash flows from operations, are our primary and funding sources of liquidity and are generally sufficient to meet our liquidity needs. In addition, As further discussed in the "Cash Flows From Financing Activities" section below, we have the flexibility ability to access raise capital through a variety of financing activities, including accessing the capital or commercial paper markets or drawing upon our credit facility, or alternatively, accessing the commercial paper markets. During the second quarter of fiscal year 2023, we issued U.S. Dollar- and Euro-denominated fixed-rate notes with aggregate principal amounts of $600 and €700 million, respectively, under our new Green Finance Framework. We intend to use the net proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to have environmental benefits, including those related to pollution prevention and control, renewable energy generation and procurement, and sustainable aviation fuel. At this time, we have not utilized, nor do we expect to access, our credit facility for additional liquidity. facilities.

As of 30 June 31 December 2023, we had $1,533.4 $1,852.1 of foreign cash and cash items compared to total cash and cash items of $1,637.7. $1,962.6. We do not expect that a significant portion of the earnings of our foreign subsidiaries and affiliates will be subject to U.S. income tax upon repatriation to the U.S. Depending on the country in which the subsidiaries and affiliates reside, the repatriation of these earnings may be subject to foreign withholding and other taxes. However, since we have significant current investment plans outside the U.S., it is our intent to permanently reinvest the majority of our foreign cash and cash items that would be subject to additional taxes outside the U.S.

Cash Flows From Operations

Nine Months Ended 30 June		2023	2022		
Three Months Ended 31 December					Three Months Ended 31 December
2023				2023	2022
Net income attributable to Air Products	Net income attributable to Air Products	$1,607.6	$1,673.0		
Net income attributable to Air Products					
Net income attributable to Air Products					
Adjustments to reconcile income to cash provided by operating activities:	Adjustments to reconcile income to cash provided by operating activities:				
Adjustments to reconcile income to cash provided by operating activities:					
Adjustments to reconcile income to cash provided by operating activities:					
Depreciation and amortization					
Depreciation and amortization					

Depreciation and amortization	Depreciation and amortization	1,001.0	1,005.4
Deferred income taxes	Deferred income taxes	(14.1)	69.0
Business and asset actions		244.6	—
Undistributed earnings of equity method investments		(130.1)	(184.8)
(Undistributed) distributed earnings of equity method investments			
(Undistributed) distributed earnings of equity method investments			
(Undistributed) distributed earnings of equity method investments			
Gain on sale of assets and investments	Gain on sale of assets and investments	(5.2)	(21.4)
Share-based compensation	Share-based compensation	45.8	37.0
Noncurrent lease receivables	Noncurrent lease receivables	60.9	65.5
Other adjustments	Other adjustments	152.3	(139.2)
Other adjustments			
Other adjustments			
Changes in working capital accounts			
Changes in working capital accounts			
Changes in working capital accounts	Changes in working capital accounts	(759.4)	(291.3)
Cash Provided by Operating Activities	**Cash Provided by Operating Activities**	$2,203.4	$2,213.2
Cash Provided by Operating Activities			
Cash Provided by Operating Activities			

For the first nine three months of fiscal year 2024, cash provided by operating activities was $626.6. The working capital accounts were a use of cash of $369.6, primarily driven by $268.5 from payables and accrued liabilities, $64.5 from other receivables, and $48.6 from inventories. The use of cash within payables and accrued liabilities primarily resulted from payments for incentive compensation under the fiscal year 2023 plan, a reduction of customer advances for sale of equipment projects as we recognized revenue, and a reduction of liabilities associated with accrued utilities. The use of cash within other receivables primarily relates to the payment of value added taxes incurred in the construction of our larger projects for which we will claim a refund in the near term. The use of cash within inventories primarily relates to purchases of helium.

For the first three months of fiscal year 2023, cash provided by operating activities was $2,203.4. Business and asset actions $719.3. Distributed earnings of $244.6 includes noncash charges to write off assets related to our exit from certain projects previously under construction as well as an expense equity method investments reflect distributions in excess of earnings for severance and other benefits. Refer to Note 4, *Business and Asset Actions*, to the consolidated financial statements for additional information. period of $17.2. Other adjustments of $152.3 $99.0 primarily included adjustments for noncash currency impacts of intercompany balances. The working capital accounts were a use of cash of $759.4, $337.6, primarily driven by $375.4 $257.6 from payables and accrued liabilities $133.5 from inventories, $98.5 from other receivables, and $102.8 from other working capital, and $49.2 from trade receivables, less allowances. inventory. The use of cash within payables and accrued liabilities primarily resulted from the impact of lower prices for the purchase of natural gas, a decrease in value of derivatives that hedge intercompany loans, and payments for incentive compensation under the fiscal year 2022 plan. The use plan and a reduction of cash within inventories primarily relates to purchases liabilities associated with the purchase of helium. The use of cash within other working capital primarily relates to the timing of income tax payments. The use of cash within trade receivables primarily relates to the timing of milestone invoices on sale of equipment projects.natural gas.

For the first nine months of fiscal year 2022, cash provided by operating activities was $2,213.2. The working capital accounts were a use of cash of $291.3, primarily driven by a use of cash of $389.7 from trade receivables, less allowances, $118.1 from other working capital, and $80.8 from inventory partially offset by a source of cash of $320.1 from payables and accrued liabilities. The use of cash within trade receivables includes the impacts of higher underlying sales and higher natural gas costs passed through to our on-site customers. The source of cash within payables and accrued liabilities primarily resulted from customer advances for sale of equipment projects and higher natural gas costs. The use of cash within other working capital primarily relates to contract fulfillment costs and the timing of income tax payments.

Cash Flows From Investing Activities

Nine Months Ended 30 June		2023	2022
Three Months Ended 31 December 2023		2023	Three Months Ended 31 December 2022
Additions to plant and equipment, including long-term deposits	Additions to plant and equipment, including long-term deposits	($3,163.5)	($2,139.1)
Acquisitions, less cash acquired		—	(65.1)
Investment in and advances to unconsolidated affiliates		(912.0)	(1,650.9)
Investment in financing receivables			
Investment in financing receivables			
Investment in financing receivables	Investment in financing receivables	(665.0)	—
Proceeds from sale of assets and investments	Proceeds from sale of assets and investments	13.3	32.8
Purchases of investments	Purchases of investments	(443.4)	(1,247.9)
Proceeds from investments	Proceeds from investments	766.0	2,219.2
Other investing activities	Other investing activities	4.8	6.9
Cash Used for Investing Activities	**Cash Used for Investing Activities**	($4,399.8)	($2,844.1)

For the first nine three months of fiscal year 2023, 2024, cash used for investing activities was $4,399.8. $1,665.6. The use of cash primarily resulted from additions to plant and equipment, including long-term deposits, of $3,163.5, investment in and advances to unconsolidated affiliates of $912.0, $1,445.5 and an investment in financing receivables of $665.0. $301.8. Refer to the *Capital Expenditures* section below for further detail. Proceeds from investments of $766.0 $120.1 resulted from maturities of time deposits and treasury securities with terms greater than three months but less than one year and exceeded purchases of investments of $443.4. $55.5.

For the first nine three months of fiscal year 2022, 2023, cash used for investing activities was $2,844.1. $256.2. Capital expenditures primarily included $2,139.1 for additions to plant and equipment, including long-term deposits, and $1,650.9 for investment in and advances to unconsolidated affiliates. were $834.2. Proceeds from investments of $2,219.2 $591.5 resulted from maturities of time deposits and treasury securities with terms greater than three months but less than one year and exceeded purchases of investments of $1,247.9. $19.2.

Capital Expenditures

We define capital expenditures as cash flows for additions to plant and equipment, including long-term deposits, acquisitions (less cash acquired), investment in and advances to unconsolidated affiliates, and investment in financing receivables on our consolidated statement of cash flows. Beginning in fiscal year 2023, we adjust capital expenditures to exclude NEOM Green Hydrogen Company ("NGHC") spending reflected in "Additions to plant and equipment, including long-term deposits" that is ultimately funded through our joint venture partners' equity contributions to NGHC as well as non-recourse project financing obtained by NGHC. The components of our capital expenditures are detailed in the table below. We also present Refer to page 45 for a reconciliation definition of our capital expenditures this non-GAAP measure as well as a reconciliation to cash used for investing activities on page 57. activities.

		Three Months Ended 31 December 2023		2023	Three Months Ended 31 December 2022
Additions to plant and equipment, including long-term deposits					
	Nine Months Ended				
Investment in financing receivables					
	30 June				
Investment in financing receivables					
		2023	2022		
Additions to plant and equipment, including long-term deposits		$3,163.5	$2,139.1		
Acquisitions, less cash acquired		—	65.1		
Investment in and advances to unconsolidated affiliates		912.0	1,650.9		
Investment in financing receivables	Investment in financing receivables	665.0	—		
NGHC expenditures not funded by Air Products' equity		(656.0)	—		
NGHC expenditures not funded by Air Products' equity(A)					
Capital Expenditures	Capital Expenditures	$4,084.5	$3,855.1		

(A) Reflects the portion of "Additions to plant and equipment, including long-term deposits" that is associated with NGHC, less our approximate cash investment in the joint venture.

Capital expenditures for the first nine three months of fiscal year 2023 2024 totaled $4,084.5 $1,385.7 compared to $3,855.1 $724.5 for the first nine three months of fiscal year 2022. The prior year included our initial investment of $1.6 billion in JIGPC, which included approximately $130 from a noncontrolling partner in one of our subsidiaries, in the first quarter of fiscal year 2022. In the second quarter of fiscal year 2023, we made an additional investment of $908 toward the second phase of the Jazan gasification and power project. This investment included $73 received from our noncontrolling partner. We expect to complete a remaining investment of approximately $115 later this calendar year. Refer to Note 7, *Equity Affiliates*, to the consolidated financial statements for additional information. 2023. The investment in financing receivables of $665.0 $301.8 primarily includes progress reflects payments towards associated with the purchase of renewable fuel assets from World Energy as well as the purchase of a natural gas-to-syngas processing facility in Uzbekistan. Refer to Note 3, *Variable Interest Entities*, and Note 18, *Supplemental Information*, to the consolidated financial statements, respectively, for additional information.

Outlook for Investing Activities

It is not possible, without unreasonable efforts, to reconcile our forecasted capital expenditures to future cash used for investing activities because we are unable to identify the timing or occurrence of our future investment activity, which is driven by our assessment of competing opportunities at the time we enter into transactions. These decisions, either individually or in the aggregate, could have a significant effect on our cash used for investing activities.

We continue to expect capital expenditures for fiscal year 2023 2024 to be approximately $5.0 billion to $5.5 billion.

Cash Flows From Financing Activities

Nine Months Ended 30 June		2023	2022
Three Months Ended 31 December 2023		2023	Three Months Ended 31 December 2022
Long-term debt proceeds	Long-term debt proceeds	$2,116.3	$357.0
Payments on long-term debt	Payments on long-term debt	(605.8)	(400.0)
Net increase in commercial paper and short-term borrowings		567.3	255.0
Net increase (decrease) in commercial paper and short-term borrowings			
Dividends paid to shareholders	Dividends paid to shareholders	(1,107.9)	(1,023.9)
Proceeds from stock option exercises	Proceeds from stock option exercises	19.5	16.3
Investments by noncontrolling interests	Investments by noncontrolling interests	188.8	21.0
Other financing activities			
Other financing activities			
Other financing activities	Other financing activities	(79.3)	(37.5)
Cash Provided by (Used for) Financing Activities	**Cash Provided by (Used for) Financing Activities**	$1,098.9	($812.1)

For the first nine three months of fiscal year 2023, 2024, cash provided by financing activities was $1,098.9. $1,362.8. The source of cash was primarily driven by long-term debt proceeds of $2,116.3, and an net increase in commercial paper and short-term borrowings of $567.3, $1,020.9 and long-term debt proceeds of $810.4, partially offset by dividend payments to shareholders of $1,107.9 $388.9 and payments on long-term debt of $605.8. Refer to the *Credit Facilities* section below and Note 11, *Debt*, to the consolidated financial statements for additional information.$54.8.

For the first nine three months of fiscal year 2022, 2023, cash used for financing activities was $812.1. $85.6. The use of cash was primarily driven by dividend payments to shareholders of $1,023.9 $359.4 and payments on long-term debt of $400.0 for the repayment of a 3.0% Senior Note. These uses of cash were $195.9 partially offset by long-term debt proceeds and short-term borrowings of $357.0 and $255.0, respectively. $476.3.

Financing and Capital Structure

Debt

Capital needs in the first nine months of fiscal year 2023 were satisfied with our cash balance, cash from operations, commercial paper and long-term borrowings. Total debt increased from $7,644.8 $10,305.8 as of 30 September 2022 2023 to $9,391.9 $12,107.7 as of 31 December 2023. The increase from 30 June September 2023 was primarily due to U.S. Dollar- and Euro-denominated fixed-rate notes that were issued the issuance of commercial paper as well as additional borrowings under the project financing associated with the NEOM Green Hydrogen Project as discussed in Note 3, *Variable Interest Entities*, to the second quarter consolidated financial statements. As of fiscal year 31 December 2023, and an increase in we classified our outstanding commercial paper. paper, which totaled approximately $1.3 billion, as well as our 3.35% Senior Note of $400 maturing in July 2024 as long-term debt as we have the ability to refinance the debt under our $2.75 billion revolving credit agreement (the "2021 Credit Agreement"), which is further discussed below. Our current intent is to refinance this debt via the U.S. public debt market.

Total debt includes related party debt of $327.3 $294.8 and $781.0 $328.3 as of 30 June 31 December 2023 and 30 September 2022, 2023, respectively.

Various debt agreements to which we are a party include financial covenants and other restrictions, including restrictions pertaining to the ability to create property liens and enter into certain sale and leaseback transactions. As of 30 June 31 December 2023, we are were in compliance with all of the financial and other covenants under our debt agreements.

2021 Credit Facilities Agreement

We have a five-year $2,750 $2.75 billion revolving credit agreement maturing 31 March 2026 with a syndicate of banks (the "2021 Credit Agreement"), under which senior unsecured debt is available to us and certain of our subsidiaries. The 2021 Credit Agreement provides a source of liquidity and supports our commercial paper program. No borrowings were outstanding under the 2021 Credit Agreement as of 31 December 2023. At this time, we do not expect to borrow from the facility.

The only financial covenant in the 2021 Credit Agreement is a maximum ratio of total debt to total capitalization (equal to total debt plus total equity) not to exceed 70%. The 2021 Credit Agreement defines total debt as the aggregate principal amount of all indebtedness, excluding limited recourse debt of any project financed subsidiary. Accordingly, this calculation does not consider borrowings associated with NGHC. Total debt to total capitalization was 38.7% and 36.6% as of 30 June 31 December 2023 and 30 September 2022, expressed as a percentage of total capitalization, was 37.9% and 35.8%, 2023, respectively. No borrowings were outstanding under the 2021

Foreign Credit Agreement as of 30 June 2023. Facilities

We also have credit facilities available to certain of our foreign subsidiaries totaling $1,621.8, $1,611.4, of which $1,031.1 $1,091.1 was borrowed and outstanding as of 30 June 31 December 2023. The amount borrowed and outstanding as of 30 September 2022 2023 was $457.5. The increase from 30 September 2022 was driven by borrowings on a new variable-rate Saudi Riyal loan facility that matures in October 2026. The interest rate on the facility is based on the Saudi Arabian Interbank Offered Rate ("SAIBOR") plus an annual margin of 1.35%. We entered into this facility in October 2022 and utilized a portion of the proceeds to repay a variable-rate 4.10% Saudi Riyal Loan Facility of $195.6, which was presented within long-term debt on our consolidated balance sheet as of 30 September 2022. $1,041.4.

NEOM Green Hydrogen Project Financing

In May 2023, NGHC secured non-recourse project financing of approximately $6.1 billion, which is expected to fund about approximately 73% of the NEOM Green Hydrogen project Project and will be drawn over the construction period. Under this financing, At the assets of same time, NGHC can only be used to settle obligations secured additional non-recourse credit facilities totaling approximately $500 primarily for working capital needs. The joint venture had borrowed$2.1 billionand $1.4 billion of the joint venture, available financing as of 31 December 2023 and creditors of NGHC do not have recourse to the general credit of Air Products. As of 30 June September 2023, no borrowings were outstanding. In July 2023, the joint venture completed its first drawdown on the project financing of $1.3 billion. respectively. Refer to Note 3, *Variable Interest Entities*, to the consolidated financial statements for additional information.

Equity Securities

On 15 September 2011, the Board of Directors authorized the repurchase of up to $1,000 of our outstanding common stock. We did not purchase any of our outstanding shares in the first nine months of fiscal years 2023 or 2022. As of 30 June 2023, $485.3 in share repurchase authorization remained.

Dividends

The Board of Directors determines whether to declare cash dividends on our common stock and the timing and amount based on financial condition and other factors it deems relevant. In January 2023, the Board of Directors approved an increase to our quarterly dividend of 8%, or $0.13 per share, marking the 41st consecutive year that we have increased our quarterly dividend. We expect to continue to pay cash dividends in the future at comparable or increased levels.

relevant. Dividends are paid quarterly, usually during the sixth week after the close of the fiscal quarter. On 21 July 15 November 2023, the Board of Directors declared a quarterly dividend of $1.75 per share that is payable on 13 November 2023 12 February 2024 to shareholders of record at the close of business on 2 October 2023. January 2024.

In January 2024, the Board of Directors increased the quarterly dividend to $1.77 per share, representing our 42nd consecutive year of dividend increases. The new dividend was declared on 25 January 2024 and is payable on 13 May 2024 to shareholders of record at the close of business on 1 April 2024.

PENSION BENEFITS

We and certain of our subsidiaries sponsor defined benefit pension plans and defined contribution plans that cover a substantial portion of our worldwide employees. The principal defined benefit pension plans are the U.S. salaried pension plan and the U.K. pension plan. These plans were closed to new participants in 2005, after which defined contribution plans were offered to new employees. The shift to defined contribution plans is expected to continue to reduce volatility of both plan expense and contributions. For additional information, refer to Note 12, 9, *Retirement Benefits*, to the consolidated financial statements.

Net Periodic Cost (Benefit)

The table below summarizes the components of net periodic cost (benefit) for our U.S. and international defined benefit pension plans:

		Three Months Ended 30 June		Nine Months Ended 30 June	
		2023	2022	2023	2022
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		31 December			
		31 December			
		31 December			
		2023			
		2023			
		2023			
Service cost					
Service cost					
Service cost	Service cost	$5.7	$9.9	$17.5	$30.3
Non-service cost (benefit)		22.0	(9.5)	64.4	(33.4)
Non-service cost					
Non-service cost					
Non-service cost					
Other	Other	0.2	0.2	0.7	1.2
Net Periodic Cost (Benefit)		$27.9	$0.6	$82.6	($1.9)
Other					
Other					
Net Periodic Cost					
Net Periodic Cost					
Net Periodic Cost					

Net periodic cost was $27.9 $30.2 and $82.6 $25.8 for the three and nine months ended 30 June 31 December 2023 respectively, versus a cost (benefit) of $0.6 and ($1.9) for the three and nine months ended 30 June 2022, respectively. The increased costs from versus the prior year were primarily attributable to higher non-service costs, which were driven by higher interest cost and lower expected returns on plan assets due to a smaller beginning balance of plan assets. Fiscal year 2023 non-service items also include assets and higher interest cost, partially offset by a $1.9 curtailment gain recorded decrease in the first quarter for the write-off of prior service credits in an amended international defined benefit pension plan. actuarial loss amortization. Non-service related components of net periodic cost (benefit) are reflected within "Other non-operating income (expense), net" on our consolidated income statements.

Service costs result from benefits earned by active employees and are reflected as operating expenses primarily within "Cost of sales" and "Selling and administrative expense" on our consolidated income statements. The amount of service costs capitalized in the first nine three months of fiscal years 2023 2024 and 2022 2023 was not material.

Company Contributions

Management considers various factors when making pension funding decisions, including tax, cash flow, and regulatory implications. For the nine three months ended 30 June 31 December 2023 and 2022, our cash contributions to funded pension plans and benefit payments for unfunded pension plans were $22.0 $12.0 and $31.7, $8.0, respectively.

Total contributions for fiscal year 2023 2024 are expected to be approximately $25 $35 to $35. $45. During fiscal year 2022, 2023, total contributions were $44.7.

$32.6.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A description of our major accounting policies, including those that we consider to be the most critical to understanding our financial statements, is included in our 2022 2023 Form 10-K. There were no changes to our accounting policies during the first nine three months of fiscal year 2023. 2024.

Management's Discussion and Analysis of our financial condition and results of operations is based on the consolidated financial statements and accompanying notes that have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates reflect our best judgment about current and/or future economic and market conditions and their effect based on information available as of the date of our consolidated financial statements. If conditions change, actual results may differ materially from these estimates.

Judgments and estimates of uncertainties are required to apply our accounting policies in many areas. However, application of policies that management has identified as critical places significant importance on management's judgment, often as the result of the need to make estimates about the effects of matters that are inherently uncertain. As discussed in Note 4, *Business and Asset Actions*, to During the consolidated financial statements, we concluded that we will not proceed with certain projects and wrote down the full carrying value first three months of related assets. Additionally, fiscal year 2024, we recorded changes to project cost estimates on certain sale of equipment projects that are accounted for under the cost incurred input method. Accordingly, we recorded a cumulative effect adjustment that unfavorably impacted operating income by approximately $45 and $105 $30 for the three and nine months ended 30 June 31 December 2023. There were no other changes to our estimates during the first nine three months of fiscal year 2023 2024 that had a significant impact on our financial condition, change in financial condition, liquidity, or results of operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information on our utilization of financial instruments and an analysis of the sensitivity of these instruments to selected changes in market rates and prices is included in our 2022 2023 Form 10-K.

Our net financial instrument position increased from a liability of $6,898.6 $8,990.8 at 30 September 2022 2023 to a liability of $8,120.3 $11,662.0 at 30 June 31 December 2023. The increase was primarily due to the issuance of commercial paper as well as additional borrowings under the project financing associated with the NEOM Green Hydrogen Project as discussed in Note 3, *Variable Interest Entities*, to the consolidated financial statements. As of 31 December 2023, we classified the outstanding commercial paper, which totaled approximately $1.3 billion, as long-term debt as we have the ability to refinance the debt under our $2.75 billion revolving credit agreement maturing in 2026. Our current intent is to refinance this debt via the U.S. Dollar- and Euro-denominated fixed-rate notes during the second quarter of fiscal year 2023. public debt market.

Interest Rate Risk

Our debt portfolio as of 31 December 2023, including the effect of currency and interest rate swap agreements, was composed of 73% fixed-rate debt and 27% variable-rate debt. Our debt portfolio as of 30 September 2023, including the effect of currency and interest rate swap agreements, was composed of 80% fixed-rate debt and 20% variable-rate debt. The increase in variable-rate debt was primarily driven by commercial paper of approximately $1.3 billion that was classified as long-term debt as of 31 December 2023.

The sensitivity analysis related to the interest rate risk on the fixed portion of our debt portfolio assumes an instantaneous 100 bp parallel move in interest rates from the level at 30 June 31 December 2023, with all other variables held constant. A 100 bp increase in market interest rates would result in a decrease of $791 $879 and $364 $728 in the net liability position of financial instruments at 30 June 31 December 2023 and 30 September 2022, 2023, respectively. A 100 bp decrease in market interest rates would result in an increase of $922 $1,030 and $425 $845 in the net liability position of financial instruments at 30 June 31 December 2023 and 30 September 2022, 2023, respectively. The increased sensitivity to market interest rates was due to

Based on the higher notional balance of interest rate swaps designated as cash flow hedges and the issuance of U.S. Dollar- and Euro-denominated fixed-rate notes during the fiscal year.

There were no material changes to the sensitivity analysis related to the variable portion of variable-rate debt included in our debt portfolio, since including the interest rate swap agreements, a 100 bp increase in interest rates would result in an additional $33 and $21 of interest incurred per year at 31 December 2023 and 30 September 2022. 2023, respectively. A 100 bp decline in interest rates would lower interest incurred by $33 and $21 per year at 31 December 2023 and 30 September 2023, respectively.

Foreign Currency Exchange Rate Risk

The sensitivity analysis related to foreign currency exchange rates assumes an instantaneous 10% change in the foreign currency exchange rates from their levels at 30 June 31 December 2023, with all other variables held constant. A 10% strengthening or weakening of the functional currency of an entity versus all other currencies would result in a decrease or increase, respectively, of $296 $369 and $165 $308 in the net liability position of financial instruments at 30 June 31 December 2023 and 30 September 2022, 2023, respectively. The increase in sensitivity is primarily due to the issuance of Euro-denominated fixed-rate notes during the second quarter of fiscal year 2023.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain a comprehensive set of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Under the supervision of the Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our disclosure controls and procedures as of 30 June 31 December 2023. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of 30 June 31 December 2023, our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended 30 June 31 December 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In April 2023, we received a favorable ruling from a Texas state court in litigation involving disputed energy management charges related to Winter Storm Uri, a severe winter weather storm that impacted the U.S. Gulf Coast in February 2021. The ruling is subject to appeal and had no impact on our consolidated financial statements for the three and nine months ended 30 June 2023.

Item 5. Other Information

During the three months ended 30 June 2023, none None of the Company's directors or Section 16 reporting officers adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

during the first quarter of fiscal year 2024.

Item 6. Exhibits.

(a) Exhibits required by Item 601 of Regulation S-K

Exhibit No.	Description
(3)	Articles of Incorporation and Bylaws
3.1	Restated Certificate of Incorporation of the Company, dated 21 July 2023.
(10)	Material Contracts
10.1	Amended and Restated Employment Form of Restricted Stock Unit Award Agreement dated 17 May 2023, between under the Long-Term Incentive Plan of the Company, used for FY2024 Awards.†
10.2	Form of Performance Share Award Agreement under the Long-Term Incentive Plan of the Company, used for FY2024 Awards.†
10.3	Amendment No. 3 to the Air Products and Chemicals, Inc. and Seifollah Ghasemi (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on 18 May 2023). Retirement Savings Plan.†
(31)	Rule 13a-14(a)/15d-14(a) Certifications
31.1	Certification by the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32)	Section 1350 Certifications
32.1	Certification by the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. † ††
(101)	Interactive Data Files
101.INS	Inline XBRL Instance Document. The XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File, formatted in Inline XBRL (included in Exhibit 101).

† Indicates management contract or compensatory arrangement.

†† The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Air Products and Chemicals, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Air Products and Chemicals, Inc.
(Registrant)

By: /s/ Melissa N. Schaeffer
Melissa N. Schaeffer
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: 3 August 2023 5 February 2024

Exhibit 3.1 10.1

RESTATED CERTIFICATE OF INCORPORATION Air Products and Chemicals, Inc. (the “Company”)
OF Restricted Stock Unit Award Agreement

Company Confidential Communication to: «Participant Name»

You have been granted a Restricted Stock Unit Award (“Award”) under the Air Products and Chemicals, Inc. 2021 Long-Term Incentive Plan (the “Plan”).

Your FY2024 Award consists of «Shares Granted» 4-Year Restricted Stock Units, each Unit being equivalent in value to one share of Common Stock.

Your FY2024 Restricted Stock Unit Award is subject to and contingent upon your agreement to the conditions described in Exhibit A and the terms described in Exhibit B (collectively, the “Conditions”). Please read the Conditions carefully, particularly the descriptions of the “Restrictive Covenants.” This letter, together with its Exhibits, constitutes the agreement governing your FY2024 Restricted Stock Unit Award (“Award Agreement”). Your FY2024 Restricted Stock Unit Award is also at all times subject to the applicable provisions of the Plan and to any determinations made by the Administrator or its delegate, with respect to your FY2024 Restricted Stock Unit Award as contemplated or permitted by the Plan or the Conditions. By accepting this Award, you will be deemed to have accepted and agreed to the terms and conditions of the Award Agreement and the Plan.

None of your FY2024 Restricted Stock Unit Award, this Award Agreement or the Plan constitute a contract of employment; nor do they guarantee your continued employment for any period required for all or any of your FY2024 Restricted Stock Unit Award to vest, become exercisable, be earned or be paid out. Except as otherwise indicated all capitalized words used in this Award Agreement have the meanings described in the Plan.

WITNESSETH the due execution of this Award Agreement by the Company effective as of the1st day ofDecember 2023 and your acceptance of the Award Agreement intending to be legally bound hereby.

AIR PRODUCTS AND CHEMICALS, INC.
The original Certificate
By:
0000002969-24-000010image_0.jpg
Seifi Ghasemi

EXHIBIT A

FY2024 AWARDS UNDER THE PLAN ARE SUBJECT TO THE FOLLOWING CONDITIONS:

In the event the Company determines, in its sole discretion, that you have violated the restrictive covenants set forth in Paragraph 1 (the “Restrictive Covenants”), at any time during your employment, or within two years after termination of Incorporation your employment from the Company, the Company shall be entitled to (i) preliminary and permanent injunctive relief, without the necessity of providing actual damages or posting of a bond, (ii) damages equal to an equitable accounting of all earnings, profits and other benefits arising from such violation of Paragraph 1, (iii) cancel, not deliver, modify, rescind, suspend, withhold, or otherwise limit or restrict any unexpired, unpaid, unexercised or deferred Awards outstanding under the Plan, and (iv) recoup the proceeds from any exercise, payment or delivery of an Award or any shares of Common Stock issued pursuant to an Award. In the event that the Company determines that you are subject to recoupment under these Restrictive Covenants, you shall repay the Company the amount determined by the Company, in such manner and on such terms as may be required by the Company, and the Company shall be entitled to set off against the amount due under this provision any amount owed to you by the Company (including by causing the cancellation of any outstanding incentive Award due to you).

1. Restrictive Covenants.

(a) Definitions. For purposes of this Paragraph 1, the following words shall have the following definitions.

(i) "Affiliate" of a specified Person shall mean any Person which is under common control with the specified Person, or of which the specified Person is an executive officer, manager, trustee, executor or similar controlling Person.

(ii) "Company" shall include Air Products and Chemicals, Inc. was filed with the Secretary of State of the State of Delaware on May 25, 1961, restated by the filing of a Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on April 7, 1987, amended by the filing of a Certificate of Amendment to the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on January 25, 1996, and further amended by the filing of a Certificate of Amendment to the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on January 29, 2014. The following Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation as heretofore amended or supplemented, and there is no discrepancy between those provisions and the provisions subsidiaries and Affiliates of this Restated Certificate of Incorporation.

FIRST. The name of the corporation (hereinafter referred to as the "Corporation") is Air Products and Chemicals, Inc.

SECOND. The Corporation's registered office in the State of Delaware is located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose (iii) "Business of the Corporation is to engage Company" means the production, manufacturing and distribution of industrial gases, including atmospheric and process gases; the designing and manufacturing of equipment for the production, processing, purification distribution or storage of gases or for natural gas liquefaction; and any other line of business conducted, developed or being developed by the Company during your employment with the Company, in each case, in which you are or were involved during the course of your employment with the Company or about which you possess Confidential Information.

(iv) "Confidential Information" means any lawful activity for which corporations may be organized under the General Corporation Law non-public, proprietary confidential or trade secret information of the State of Delaware (the "Delaware General Corporation Law").

FOURTH. The total number of shares of stock which the Corporation shall have the authority to issue is three hundred twenty-five million (325,000,000) shares, consisting of three hundred million (300,000,000) shares of common stock having a par value of $1 per share and twenty-five million (25,000,000) shares of preferred stock having a par value of $1 per share.

The Board of Directors is authorized, subject to limitations prescribed by law and the provisions of this Article Fourth, to provide for the issuance of the preferred shares in series, and by filing a certificate pursuant to the Delaware General Corporation Law, to establish the number of shares to be included in each such series, and to fix the designation, rights, preferences and limitations of the shares of each such series. The authority of the Board with respect to each series shall include, Company and/or its customers, including but not be limited to, determination of the following:

(a) the number of shares constituting that series business processes, know-how, practices, methods, plans, research, operations, services, strategies, techniques, formulae, manuals, data, notes, diagrams, customer or vendor information, pricing or cost information, product plans, designs, experimental processes and the distinctive designation of that series; inventions.

(b) (v) the dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date "Person" means any natural person, corporation, general partnership, limited partnership, limited liability company or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(c) whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(d) whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(e) whether partnership, joint venture, proprietorship or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(h) any other relative rights, preferences and limitations of that series. business organization.

Dividends on outstanding preferred shares shall(vi) "Provide Services" means to directly or indirectly, own, manage, control, or participate in the ownership, management or control of, or be declared and paid, employed or set apart for payment, before any dividends shall be declared and paid, or set apart for payment, engaged by, participate in, serve on the common shares board of directors of, consult with, contribute to, hold a security interest in, render services for, give advice to, provide assistance to or be otherwise affiliated or associated with.

(vii) "Restricted Area" means any country in which you worked during your employment with the Company, over which you had supervisory responsibility for the Business of the Company while employed by the Company, or with respect to the same dividend period.

FIFTH. Unless and except which you have Confidential Information pertaining to the extent that the Bylaws Business of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered:

(a) to make, alter and repeal the Bylaws of the Corporation; and Company.

(b) Acknowledgment.

(i) You hereby expressly acknowledge and agree that the obligations in this Award Agreement are in addition to, exercise all such powers and shall not supersede, the obligations you may have pursuant to do all such acts other agreements with the Company, including, without limitation, your obligations under your Employee Patent and things as may be exercised and done Confidential Information Agreement that you entered into when you were employed by the Corporation; subject, nevertheless, Company, which shall continue to apply in accordance with its terms.

(ii) You acknowledge and agree that (A) the Business of the Company is intensely competitive and that your employment with the Company has required you to have access to, and knowledge of, Confidential Information, which is of vital importance to the provisions of said laws, of this Certificate of Incorporation as from time to time amended, and success of the Bylaws Business of the Corporation.

SIXTH. No holder Company; (B) the use, disclosure or dissemination of any stock Confidential Information, except on behalf of the Corporation Company, could place the Company at a serious competitive disadvantage and could do serious damage, financial and otherwise, to the Business of any class whatsoever, whether now or hereafter authorized, shall have any right, preemptive or otherwise, the Company; and (C) the Company is engaged in business, and has customers, throughout the world.

(iii) You further understand and acknowledge that the Company invests in customer relationships and as such holder (other than such right, if any, as a result, has developed and will develop considerable goodwill with and among its customers. You agree that the Board of Directors Restrictive Covenants articulated herein are necessary to protect the Company's legitimate business interests in its discretion may determine) to purchase, subscribe for Confidential Information and goodwill, and that the Company would not have provided the good and valuable consideration set forth in this Award Agreement in absence of such restrictions. You further understand and acknowledge that the Company will be irreparably harmed if you violate the Restrictive Covenants articulated herein.

(c) Confidential Information. You agree that you have and will at all times hereafter, (A) treat all Confidential Information as strictly confidential; and (B) not directly or otherwise acquire any shares of stock of the Corporation of any class whatsoever, whether now indirectly disclose, publish, communicate or hereafter authorized, make available Confidential Information, or any securities convertible into or exchangeable for any such shares, or any warrants or other instruments evidencing rights or options to subscribe for, purchase, or otherwise acquire any such shares, whether such shares, securities, warrants or other instruments be unissued, or issued and thereafter acquired by the Corporation.

SEVENTH. Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, allow it to be summoned disclosed, published, communicated, or made available, in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors whole or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree part, to any compromise or arrangement and to any reorganization of the Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

EIGHTH. The Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions Person who is not authorized by the laws Company to know such Confidential Information in the furtherance of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other person whomsoever by or pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article.

NINTH. Section 1. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director’s duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Section 2. (a) *Right to Indemnification*. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he or she is or was a director, officer or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (hereinafter an “indemnitee”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Company’s business.

Delaware General Corporation Law, as (d) Non-Disparagement. During your employment by the same exists Company and for two years after your employment with the Company terminates for any reason, you agree not to directly or may hereafter indirectly make, or cause to be amended (but, made, any statement, observation or opinion that disparages or impugns the business or reputation of the Company, its products, services, agents or employees. You understand that this Section 1(d) does not, in any way, restrict or impede me from (i) exercising my rights under Section 7 of the case of National Labor Relations Act (or any such amendment, only other protected rights) to the extent that such amendment permits rights cannot be waived by agreement.

(e) Permitted Disclosures. Pursuant to 18 U.S.C. § 1833(b), you understand that you will not be held criminally or civilly liable under any Federal or State trade secret law for the Corporation disclosure of a trade secret of the Company that (i) is made (A) in confidence to provide broader indemnification rights than such a Federal, State, or local government official, either directly or indirectly, or to your attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You understand that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, permitted you may disclose the Corporation trade secret to provide prior your attorney and use the trade secret information in the court proceeding if you (I) file any document containing the trade secret under seal, and (II) do not disclose the trade secret, except pursuant to such amendment), against all expense, court order. Nothing in this Award Agreement, or any other agreement you have with the Company, is intended to conflict with 18 U.S.C. § 1833(b) or create liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered for disclosures of trade secrets that are expressly allowed by such indemnitee section. Further, nothing in this Award Agreement or any other agreement you have with the Company shall prohibit or restrict you from making any disclosure of information or documents to any governmental agency or legislative body, or any self-regulatory organization, in each case, without advance notice to the Company.

(f) Return of Company Property. You represent that upon request from the Company at any time and, without request, upon termination of your employment with the Company for any reason, you will deliver to the Company all memoranda, notes, records, manuals, or other documents, including all electronic or other copies of such materials and all documentation prepared or produced in connection therewith, containing Confidential Information, which is in your possession, custody and such indemnification shall continue control, whether made or compiled by you or furnished to you by virtue of your employment with the Company. You further represent that you will deliver to the Company all vehicles, computers, credit cards, telephones, handheld electronic devices, office equipment and other property furnished to you by virtue of your employment with the Company.

(g) Notice. You agree that during your employment with the Company and for two years after your employment with the Company terminates for any reason (the "Restricted Period"), you will give the Company ten (10) business days' written notice of your intention to Provide Services to any other Person that engages in or is preparing to engage in the Business of the Company within the Restricted Area. Such written notice must provide sufficiently detailed information so as to allow the Company to determine if you will be in breach of this Award Agreement if you Provide Services to such other Person.

(h) Non-Competition. During your employment by the Company and, unless you are an indemnitee who has ceased Excluded Service Provider, during the Restricted Period, you agree that you will not Provide Services to any Person, other than the Company, that engages in or is preparing to engage in the Business of the Company within the Restricted Area, unless (i) such other Person also engages in lines of business that are separate, distinct and divisible from the Business of the Company, (ii) you do not Provide Services, Confidential Information or strategy to the Business of the Company conducted by such other Person, and (iii) you do not attend meetings where the Business of the Company conducted by such other Person is discussed or where you could, even inadvertently, disclose Confidential Information. Your passive ownership of not more than one percent (1%) of the capital stock or other ownership or equity interest, or voting power, in a public company, registered under the Securities Exchange Act of 1934, as amended, shall not be deemed to be a violation of this paragraph. For the avoidance of doubt, if you are an Excluded Service Provider, as described in Section 1(l) below (Grantees in California and Certain Other Jurisdictions), this Section 1(h) applies to you while you are providing services to the Company and does not apply to you during the Restricted Period.

(i) Non-Solicitation; Non-Interference. During your employment by the Company and, unless you are an Excluded Service Provider, during the Restricted Period, you also agree that you will not, directly or indirectly without the prior written consent of the Company:

(i) encourage, persuade, induce, or attempt to encourage or persuade or induce, any person who is an employee at the grade level of 118 or above, an officer, or a director of the Company, in each case, to terminate such relationship with the Company; or hire or engage, participate in the hiring or engagement of, or solicit or make an offer of employment or engagement to any employee at the grade level of 118 or above, officer employee or agent director of the Company who was employed or engaged by the Company as of your last day of employment with the Company.

(ii) on behalf of any Person engaged in the Business of the Company (other than the Company) solicit, contact, or attempt to solicit or contact any current, former or prospective customer of the Company whom you had contacted within the twenty-four (24) months prior to your last day of employment with the Company or about whom you have any Confidential Information.

(iii) encourage or persuade, or attempt to encourage or persuade any (A) customer of the Company, (B) potential customer of the Company during the last twenty-four (24) months of your employment with the Company with which or with whom you knew to be such a potential customer, or (C) prior customer of the Company, in each case, not to do business with the Company or to reduce the amount of business it is doing or might do in the future with or through the Company.

For the avoidance of doubt, if you are an Excluded Service Provider, as described in Section 1(l) below (Grantees in California and Certain Other Jurisdictions), this Section 1(i) applies to you while you are providing services to the Company and does not apply to you during the Restricted Period.

(j) Tolling. If you violate any of the terms of the Restrictive Covenant obligations articulated herein, the obligation at issue will run from the first date on which you cease to be in violation of such obligation.

(k) Successors and Assigns. The Award Agreement (including this Paragraph 1) shall inure to the benefit of the indemnitee's heirs, executors successors and administrators; assigns of the Company. The Company may assign this Award Agreement (including this Paragraph 1), without your consent. You may not assign the Award Agreement (or the obligations set forth in this Paragraph 1).

(l) provided, however Grantees in California and Certain Other Jurisdictions. If you primarily reside and work in California or another jurisdiction that would render, at the time your service with the Company terminates, (i) the non-competition provision in Section 2(h) (Non-Competition), that, and/or (ii) the non-solicitation or non-interference provisions in Section 2(i) (Non-Solicitation; Non-Interference) unenforceable during the Restricted Period, you will be considered an "Excluded Service Provider." If you are an Excluded Service Provider, the non-competition restrictions described in Section 2(h) and/or the non-solicitation and non-interference provisions in Section 2(i), as applicable, shall not apply to you during the Restricted Period, except as provided in paragraph (b) hereof with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by next sentence. If you are an Excluded Service Provider, during the Board of Directors of the Corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); *provided, however*, that, ifthe Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section or otherwise (hereinafter an "undertaking").

(b) *Right of Indemnitee to Bring Suit.* If a claim under paragraph (a) of this Section is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified or to such advancement of expenses under this Section or otherwise shall be on the Corporation.

(c) *Non-Exclusivity of Rights.* The rights to indemnification and to the advancement of expenses conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this Certificate of Incorporation, Bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

(d) *Insurance.* The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

(e) *Indemnification of Agents of the Corporation.* The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses, to any agent of the Corporation Restricted Period, to the fullest extent enforceable by law, you will not directly or indirectly solicit, or attempt to solicit, any employee or consultant of the provisions Company, or any individual who was an employee or consultant of the Company within the six (6) months preceding such solicitation or attempt.

2. Interpretation. All determinations regarding the interpretation, construction, enforcement, waiver, or modification of this Section with respect to Award Agreement and/or the indemnification and advancement of expenses of directors, officers and employees of the Corporation.

TENTH. Section 1. The number of directors which shall constitute the whole Board of Directors of the Corporation Plan shall be the number from time to time fixed by or made in the manner provided in the Bylaws of the Corporation, but not less than five nor more than fifteen.

Section 2. Subject to the rights of the holders of any preferred stock, or series thereof, to elect directors, directors elected at the Corporation's annual meeting of stockholders Administrator's sole discretion and shall be elected for a term expiring at final and binding. Determinations made under this Award Agreement and the next annual meeting of stockholders Plan need not be uniform and may be removed by the stockholders made selectively among individuals, whether or not such individuals are similarly situated.

3. Conflict. If any of the Corporation with or without cause. Each director elected at any annual meeting terms of stockholders shall hold office until such director's successor shall have been duly elected and qualified.

Section 3. Any vacancy or newly created directorship on the Board of Directors, whether arising through death, resignation, retirement or removal of a director or through an increase this Award Agreement in the opinion of the Administrator conflict or are inconsistent with any applicable law or regulation of any governmental agency having jurisdiction, the Administrator reserves the right to modify this Award Agreement to be consistent with applicable laws or regulations.

4. Personal Data. You understand and acknowledge that the Company holds certain personal information about you, including but not limited to your name, home address, telephone number, date of directors, shall be filled birth, social security number, salary, nationality, job title, and details of all Shares awarded, cancelled, vested, unvested, or outstanding (the "personal data"). Certain personal data may also constitute "sensitive personal data" within the meaning of applicable local law. Such data include but are not limited to the information provided above and any changes thereto and other appropriate personal and financial data about you. You hereby provide explicit consent to the Company to process any such personal data and sensitive personal data. You also hereby provide explicit consent to the Company to transfer any such personal data and sensitive personal data outside the country in which you are employed, and to the United States. The legal persons for whom such personal data are intended are the Company and any third party providing services to the Company in connection with the administration of the Plan.

only5. Plan Documents. By accepting this award, you acknowledge having received and read this Award Agreement and the Plan, and you consent to receiving information and materials in connection with this Award or any subsequent awards under the Company's long-term performance plans, including without limitation any prospectuses and plan documents, by a majority vote any means of all electronic delivery available now and/or in the future (including without limitation by e-mail, by website access, and/or by facsimile), such consent to remain in effect unless and until revoked in writing by you. This Award Agreement and the Plan, which is incorporated herein by reference, constitute the entire agreement between you and the Company regarding the terms and conditions of this Award.

6. Jurisdiction; Governing Law. Any action arising out of or related to this Award Agreement or the Plan shall be brought exclusively in the United States District Court for the Eastern District of Pennsylvania, or in any court of general jurisdiction in Allentown, Pennsylvania; you and the Company consent to personal jurisdiction in any such court and waive any objection to the laying of venue of any such suit, action or proceeding in any such court. This Award Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without reference to its principles of conflict/choice of law. You and the Company also irrevocably and unconditionally consent to the service of any process, pleadings, notices, or other papers with respect thereto. YOU AND THE COMPANY IRREVOCABLY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM, OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS AWARD AGREEMENT.

7. Modification; Severability. If any court of competent jurisdiction finds any provision of this Award Agreement, and particularly the covenants set forth in Paragraph 1, or portion thereof, to not be fully enforceable, it is the intention and desire of the parties that the provision be fully enforced to the extent the court finds them enforceable and, if necessary, that the court modify any provisions of this Award Agreement to the extent deemed necessary by the court to render them reasonable and enforceable and that the court enforce them to such extent. To the extent that such provisions cannot be modified, it is the intention of the parties that the provisions be severable and that the invalidity of any one or more provisions of this Award Agreement shall not affect the legality, validity and enforceability of the remaining directors, even though less provisions of this Award Agreement. If Paragraph 1 is unenforceable in its entirety, then this Award Agreement shall be considered null and void *ab initio*.

8. Waiver. The failure of the Company to enforce any terms, provisions or covenants of this Exhibit shall not be construed as a waiver of the same or of the right of the Company to enforce the same. Waiver by the Company of any breach or default by you of any term or provision of the Award Agreement (including these Restrictive Covenants) shall not operate as a waiver of any other breach or default.

9. No Contract. None of your FY2024 Restricted Stock Unit Awards, this Award Agreement, nor the Plan constitute a contract of employment; nor do they guarantee your continued employment for any period required for all or any of your Awards to vest or become exercisable.

EXHIBIT B

RESTRICTED STOCK UNITS

1. Grant of Restricted Stock Units. Restricted Stock Units ("Units") are granted to you subject to the terms of the Plan, as amended from time to time, and the terms and conditions of this Award Agreement. The Units are "Deferred Stock Units" as described in Section 9 of the Plan. The Deferral Period for Units begins on 1 December 2023 and ends on 1 December 2027.

2. Payment of Restricted Stock Units.Each Unit granted to you represents the value of one share of Common Stock. Subject to the conditions described in this Award Agreement, payment in respect of the Units will be delivered in shares of Common Stock, cash, or both, as determined by the Administrator or its delegate, in its sole discretion, as soon as administratively practical following the end of the Deferral Period (but in no event later than 60 days thereafter) or at such other time as is specified below.

3. Dividend Equivalents. No cash dividends or other amounts shall be payable with respect to the Units during the Deferral Period. For each Unit that vests under this Award Agreement, you will be entitled to receive a quorum, payment equal to the dividends which would have been paid with respect to a share of Common Stock during the Deferral Period without interest ("Dividend Equivalents"). Such Dividend Equivalents will be

paid in cash or shares of Common Stock following the end of the Deferral Period (but in no event later than 60 days thereafter) or at such other time as is specified below.

4. Termination of Employment. Except as provided below (with respect to a qualifying "Involuntary Termination," as such term is defined below), if your employment by the Company and all of its affiliates is terminated for any reason prior to 1 December 2024 for any reason other than death or Disability, all of your Units will be automatically forfeited in their entirety. If your employment by the Company and all its affiliates terminates on or after 1 December 2024, but during the Deferral Period, other than due to death, Disability, Retirement or a sole termination by the Company without Cause, all of your Units will be automatically forfeited in their entirety. For purposes of this Award Agreement, (i) a termination without Cause by the Company during the Deferral Period shall be referred to as an "Involuntary Termination," and (ii) Cause shall have the meaning set forth in the Plan, provided that if the administrator of the Air Products and Chemicals, Inc. Executive Separation Program (the "Program") determines that you are eligible for the benefits of the Program, Cause shall have the meaning set forth in the Program.

5. Termination Upon Death or Disability. If your employment by the Company and all its affiliates is terminated during the Deferral Period (including before 1 December 2024), due to death or Disability, you will vest in all of your Units.

6. Retirement. If your employment by the Company and all its affiliates is terminated on or after 1 December 2024, but during the Deferral Period, due to Retirement, you will vest in all of your Units.

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7. Involuntary Termination. If your employment is terminated at any time during the Deferral Period (including before 1 December 2024) due to Involuntary Termination and you execute a general release of claims in favor of the Company within 50 days following your termination in a form satisfactory to the Administrator (a "Release"), you will vest in a pro-rata portion of your Units (which portion shall be based on the number of full months you worked during the Deferral Period and the total number of months in the Deferral Period) and all of your remaining director. Units will be forfeited. If you do not execute a Release, all of your Units will be automatically forfeited in their entirety.

ELEVENTH. Any action

With respect to an Involuntary Termination that also meets the definition of Retirement: (i) if services to the Company are terminated before 1 December 2024, such termination of employment shall be deemed to be, and shall be treated as, an Involuntary Separation for purposes of this Award Agreement; and (ii) if services to the Company are terminated on or after 1 December 2024 and prior to the end of the Deferral Period, such termination of employment shall be deemed to be, and shall be treated as, a Retirement for purposes of this Award Agreement.

8. Dividend Equivalents (in cases of Retirement, Involuntary Termination, Death, or Disability).
    a. In the event of your termination of employment due to Retirement on or after 1 December 2024 and prior to the end of the Deferral Period, payment in respect of the Units due to you and of related Dividend Equivalents shall be made as soon as administratively practical following the end of the Deferral Period (but in no event later than 60 days thereafter).

    b. If your employment by the Company and all its affiliates terminates during the Deferral Period due to Involuntary Termination, payment in respect of Units that have not been forfeited and of related Dividend Equivalents shall be made as soon as administratively practical following your termination (but in no event later than 60 days thereafter).

    c. If your employment by the Company and all its affiliates terminates at any time during the Deferral Period (including before 1 December 2024) due to death or Disability, payment in respect of Units due to you and of related Dividend Equivalents shall be made as soon as practicable following the end of the Deferral Period (but in no event later than 60 days thereafter) to you, or, in the event of death, your Designated Beneficiary or, if none, your legal representative.

9. Notwithstanding anything to the contrary above, if your employment by the Company and its affiliates is terminated and such termination constitutes a "Termination of Employment" within the meaning of the Program and the administrator of the Program determines you are entitled to the benefits of the Program, your outstanding Awards under this Agreement shall be treated in accordance with the Program.

10. Recoupment and Forfeiture. This Award, and any proceeds hereunder, shall be subject to the terms of the Air Products and Chemicals, Inc. Compensation Recoupment Policy and Air Products and Chemicals, Inc. Supplemental Executive Officer Recoupment Policy (each a “Policy”), each as may be amended from time to time. By accepting this Award, you acknowledge that this Award, and proceeds hereunder, are subject to reimbursement, repayment, recoupment, or forfeiture pursuant to the terms of each Policy in the event of an accounting restatement or covered conduct under the terms of the applicable Policy.

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11. Taxes. The Company shall have the right to deduct from all Awards hereunder paid or any payment in respect of an Award, any federal, state, local or foreign taxes required or permitted by law to be withheld. In the case of a payment in respect of Units made in Common Stock, the Company shall reduce number of the shares of Common Stock to be distributed by an amount with a value equal to the value of such taxes required or permitted to be taken by withheld.

12. Adjustments. In the stockholders event of any change in the outstanding shares of Common Stock of the Corporation must be effected at a duly called annual Company or special meeting the occurrence of certain other events as described in Section 12 of the stockholders Plan, an equitable adjustment of the Corporation and may not number of Units covered by this Award Agreement shall be effected by any consent made as provided in writing. the Plan.

This Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with

13. Code section 409A. It is intended that the provisions of Section 245 this Award Agreement avoid the adverse consequences under section 409A of the General Corporation Law Internal Revenue Code (the “Code”), and all provisions of the State Award Agreement shall be construed and interpreted in a manner consistent with that intent. The Administrator reserves the right to make amendments to the Award Agreement as the Administrator deems necessary or desirable to avoid the imposition of Delaware. taxes or penalties under section 409A of the Code. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with an Award (including any taxes and penalties under section 409A of the Code), and neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

IN WITNESS WHEREOF, said

Exhibit 10.2

Air Products and Chemicals, Inc. has caused (the “Company”)

Performance Share Award Agreement

Company Confidential Communication to: «Participant Name»

You have been granted a Performance Share Award under the Air Products and Chemicals, Inc. 2021 Long-Term Incentive Plan (the “Plan”).

Your FY2024 award consists of «Shares Granted»Deferred Stock Units with a three-year performance period, each unit (a “Performance Share”) being equivalent in value to one share of Common Stock.

Your FY2024 Performance Share Award is subject to and contingent upon your agreement to the conditions described in Exhibit A and the terms described in Exhibit B (collectively, the “Conditions”). Please read the Conditions carefully, particularly the descriptions of the “Restrictive Covenants.” This letter, together with its corporate seal Exhibits, constitutes the agreement governing your FY2024 Performance Share Award (“Award Agreement”). Your FY2024 Performance Share Award is also at all times subject to the applicable provisions of the Plan and to any determinations made by the Administrator or its delegate, with respect to your FY2024 Performance Share Award as contemplated or permitted by the Plan or the

Conditions. By accepting this award, you will be deemed to have accepted and agreed to the terms and conditions of the Award Agreement and the Plan.

None of your FY2024 Performance Share Award, this Award Agreement or the Plan constitute a contract of employment; nor do they guarantee your continued employment for any period required for all or any of your FY2024 Performance Share Award to vest, become exercisable, be earned or be paid out. Except as otherwise indicated all capitalized words used in this Award Agreement have the meanings described in the Plan.

WITNESSETH the due execution of this Award Agreement by the Company effective as of the1st day ofDecember 2023 and your acceptance of the Award Agreement intending to be hereunto affixed and this Restated Certificate of Incorporation to be signed by Seifi Ghasemi, its Chairman of the Board, President and Chief Executive Officer, and attested to by Sean D. Major, its Executive Vice President, General Counsel and Secretary, this 21st day of July 2023. legally bound hereby.

AIR PRODUCTS AND CHEMICALS, INC.

By: /s/

0000002969-24-000010image_0a.jpg

Seifi Ghasemi

Name: Seifi Ghasemi

Title: Chairman of the Board, President and Chief Executive Officer

Attest:

By: /s/ Sean D. Major

Name: Sean D. Major

Title: Executive Vice President, General Counsel and Secretary

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EXHIBIT A

FY2024 AWARDS UNDER THE PLAN ARE SUBJECT TO THE FOLLOWING CONDITIONS:

In the event the Company determines, in its sole discretion, that you have violated the restrictive covenants set forth in Paragraph 1 (the “Restrictive Covenants”), at any time during your employment, or within two years after termination of your employment from the Company, the Company shall be entitled to (i) preliminary and permanent injunctive relief, without the necessity of providing actual damages or posting of a bond, (ii) damages equal to an equitable accounting of all earnings, profits and other benefits arising from such violation of Paragraph 1, (iii) cancel, not deliver, modify, rescind, suspend, withhold, or otherwise limit or restrict any unexpired, unpaid, unexercised or deferred Awards outstanding under the Plan, and (iv) recoup the proceeds from any exercise, payment or delivery of an Award or any shares of Common Stock issued pursuant to an Award. In the event that the Company determines that you are subject to recoupment under these Restrictive Covenants, you shall repay the Company the amount determined by the Company in such manner and on such terms as may be required by the Company, and the Company shall be entitled to set off against the amount due under this provision any amount owed to you by the Company (including by causing the cancellation of any outstanding incentive Award due to you).

1. Restrictive Covenants.

a. Definitions. For purposes of this Paragraph 1, the following words shall have the following definitions.

(i) “Affiliate” of a specified Person shall mean any Person which is under common control with the specified Person, or of which the specified Person is an executive officer, manager, trustee, executor or similar controlling Person.

(ii) "Company" shall include Air Products and Chemicals, Inc. and the subsidiaries and Affiliates of Air Products and Chemicals, Inc.

(iii) "Business of the Company" means the production, manufacturing and distribution of industrial gases, including atmospheric and process gases; the designing and manufacturing of equipment for the production, processing, purification distribution or storage of gases or for natural gas liquefaction; and any other line of business conducted, developed or being developed by the Company during your employment with the Company, in each case, in which you are or were involved during the course of your employment with the Company or about which you possess Confidential Information.

(iv) "Confidential Information" means any non-public, proprietary confidential or trade secret information of the Company and/or its customers, including but not limited to, business processes, know-how, practices, methods, plans, research, operations, services, strategies, techniques, formulae, manuals, data, notes, diagrams, customer or vendor information, pricing or cost information, product plans, designs, experimental processes and inventions.

(v) "Person" means any natural person, corporation, general partnership, limited partnership, limited liability company or partnership, joint venture, proprietorship or other business organization.

(vi) "Provide Services" means to directly or indirectly, own, manage, control, or participate in the ownership, management or control of, or be employed or engaged by, participate in, serve on the board of directors of, consult with, contribute to, hold a security interest in, render services for, give advice to, provide assistance to or be otherwise affiliated or associated with.

(vii) "Restricted Area" means any country in which you worked during your employment with the Company, over which you had supervisory responsibility for the Business of the Company while employed by the Company, or with respect to which you have Confidential Information pertaining to the Business of the Company.

2. Acknowledgment.

a. You hereby expressly acknowledge and agree that the obligations in this Award Agreement are in addition to, and shall not supersede, the obligations you may have pursuant to other agreements with the Company, including, without limitation, your obligations under your Employee Patent and Confidential Information Agreement that you entered into when you were employed by the Company, which shall continue to apply in accordance with its terms.

b. You acknowledge and agree that (i) the Business of the Company is intensely competitive and that your employment with the Company has required you to have access to, and knowledge of, Confidential Information, which is of vital importance to the success of the Business of the Company; (ii) the use, disclosure or dissemination of any Confidential Information, except on behalf of the Company, could place the Company at a serious competitive disadvantage and could do serious damage, financial and otherwise, to the Business of the Company; and (iii) the Company is engaged in business, and has customers, throughout the world.

c. You further understand and acknowledge that the Company invests in customer relationships and as a result, has developed and will develop considerable goodwill with and among its customers. You agree that the Restrictive Covenants articulated herein are necessary to protect the Company's legitimate business interests in its Confidential Information and goodwill, and that the Company would not have provided the good and valuable consideration set forth in this Award Agreement in absence of such restrictions. You further understand and acknowledge that the Company will be irreparably harmed if you violate the Restrictive Covenants articulated herein.

3. Confidential Information. You agree that you have and will at all times hereafter, (A) treat all Confidential Information as strictly confidential; and (B) not directly or indirectly disclose, publish, communicate or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any Person who is not authorized by the Company to know such Confidential Information in the furtherance of the Company's business.

4. Non-Disparagement. During your employment by the Company and for two years after your employment with the Company terminates for any reason, you agree not to directly or indirectly make, or cause to be made, any statement, observation or opinion that disparages or impugns the business or reputation of the Company, its products, services, agents or employees. You understand that this Section 1(d) does not, in any way, restrict or impede me from (i) exercising my rights under Section 7 of the National Labor Relations Act (or any other protected rights) to the extent that such rights cannot be waived by agreement.

5. Permitted Disclosures. Pursuant to 18 U.S.C. § 1833(b), you understand that you will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Company that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to your attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You understand that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the trade secret to your attorney and use the trade secret information in the court proceeding if you (I) file any document containing the trade secret under seal, and (II) do not disclose the trade secret, except pursuant to court order. Nothing in this Award Agreement, or any other agreement you have with the Company, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section. Further, nothing in this Award Agreement or any other agreement you have with the Company shall prohibit or restrict you from making any disclosure of information or documents to any governmental agency or legislative body, or any self-regulatory organization, in each case, without advance notice to the Company.

6. Return of Company Property. You represent that upon request from the Company at any time and, without request, upon termination of your employment with the Company for any reason, you will deliver to the Company all memoranda, notes, records, manuals, or other documents, including all electronic or other copies of such materials and all documentation prepared or produced in connection therewith, containing Confidential Information, which is in your possession, custody and control, whether made or compiled by you or furnished to you by virtue of your employment with the Company. You further represent that you will deliver to the Company all vehicles, computers, credit cards, telephones, handheld electronic devices, office equipment and other property furnished to you by virtue of your employment with the Company.

7. Notice. You agree that during your employment with the Company and for two years after your employment with the Company terminates for any reason (the "Restricted Period"), you will give the Company 10 business days' written notice of your intention to Provide Services to any other Person that engages in or is preparing to engage in the Business of the Company within the Restricted Area. Such written notice must provide sufficiently detailed information so as to allow the Company to determine if you will be in breach of this Award Agreement if you Provide Services to such other Person.

8. Non-Competition. During your employment by the Company and, unless you are an Excluded Service Provider, during the Restricted Period, you agree that you will not Provide Services to any Person, other than the Company, that engages in or is preparing to engage in the Business of the Company within the Restricted Area, unless (i) such other Person also engages in lines of business that are separate, distinct and divisible from the Business of the Company, (ii) you do not Provide Services, Confidential Information or strategy to the Business of the Company conducted by such other Person, and (iii) you do not attend meetings where the Business of the Company conducted by such other Person is discussed or where you could, even inadvertently, disclose Confidential Information. Your passive ownership of not more than one

percent (1%) of the capital stock or other ownership or equity interest, or voting power, in a public company, registered under the Securities Exchange Act of 1934, as amended, shall not be deemed to be a violation of this paragraph. For the avoidance of doubt, if you are an Excluded Service Provider, as described in Section 1(l) below (Grantees in California and Certain Other Jurisdictions), this Section 1(h) applies to you while you are providing services to the Company and does not apply to you during the Restricted Period.

9. Non-Solicitation; Non-Interference. During your employment by the Company and, unless you are an Excluded Service Provider, during the Restricted Period, you also agree that you will not, directly or indirectly without the prior written consent of the Company:

   a. encourage, persuade, induce, or attempt to encourage or persuade or induce, any person who is an employee at the grade level of 118 or above, an officer, or a director of the Company, in each case, to terminate such relationship with the Company; or hire or engage, participate in the hiring or engagement of, or solicit or make an offer of employment or engagement to any employee at the grade level of 118 or above, officer or director of the Company who was employed or engaged by the Company as of your last day of employment with the Company.
   b. on behalf of any Person engaged in the Business of the Company (other than the Company) solicit, contact, or attempt to solicit or contact any current, former or prospective customer of the Company whom you had contacted within the 24 months prior to your last day of employment with the Company or about whom you have any Confidential Information.
   c. encourage or persuade, or attempt to encourage or persuade any (A) customer of the Company, (B) potential customer of the Company during the last 24 months of your employment with the Company with which or with whom you knew to be such a potential customer, or (C) prior customer of the Company, in each case, not to do business with the Company or to reduce the amount of business it is doing or might do in the future with or through the Company.

   For the avoidance of doubt, if you are an Excluded Service Provider, as described in Section 1(l) below (Grantees in California and Certain Other Jurisdictions), this Section 1(i) applies to you while you are providing services to the Company and does not apply to you during the Restricted Period.

10. Tolling. If you violate any of the terms of the Restrictive Covenant obligations articulated herein, the obligation at issue will run from the first date on which you cease to be in violation of such obligation.

11. Successors and Assigns. The Award Agreement (including this Paragraph 1) shall inure to the benefit of the successors and assigns of the Company. The Company may assign this Award Agreement (including this Paragraph 1), without your consent. You may not assign the Award Agreement (or the obligations set forth in this Paragraph 1).

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12. Grantees in California and Certain Other Jurisdictions. If you primarily reside and work in California or another jurisdiction that would render, at the time your service with the Company terminates, (i) the non-competition provision in Section 2(h) (Non-Competition), and/or (ii) the non-solicitation or non-interference provisions in Section 2(i) (Non-Solicitation; Non-Interference) unenforceable during the Restricted Period, you will be considered an "Excluded Service Provider." If you are an Excluded Service Provider, the non-competition restrictions described in Section 2(h) and/or the non-solicitation and non-interference provisions in Section 2(i), as applicable, shall not apply to you during the Restricted Period, except as provided in the next sentence. If you are an Excluded Service Provider, during the Restricted Period, to the fullest extent enforceable by law, you will not directly or indirectly solicit, or attempt to solicit, any employee or consultant of the Company, or any individual who was an employee or consultant of the Company within the six (6) months preceding such solicitation or attempt.

13. Interpretation. All determinations regarding the interpretation, construction, enforcement, waiver, or modification of this Award Agreement and/or the Plan shall be made in the Administrator's sole discretion and shall be final and binding. Determinations made under this Award Agreement and the Plan need not be uniform and may be made selectively among individuals, whether or not such individuals are similarly situated.

14. Conflict. If any of the terms of this Award Agreement in the opinion of the Administrator conflict or are inconsistent with any applicable law or regulation of any governmental agency having jurisdiction, the Administrator reserves the right to modify this Award Agreement to be consistent with applicable laws or regulations.

15. Personal Data. You understand and acknowledge that the Company holds certain personal information about you, including but not limited to your name, home address, telephone number, date of birth, social security number, salary, nationality, job title, and details of all Shares awarded, cancelled, vested, unvested, or outstanding (the "personal data"). Certain personal data may also constitute "sensitive personal data" within the meaning of applicable local law. Such data include but are not limited to the information provided above and any changes thereto and other appropriate personal and financial data about you. You hereby provide explicit consent to the Company to process any such personal data and sensitive personal data. You also hereby provide explicit consent to the Company to transfer any such personal data and sensitive personal data outside the country in which you are employed, and to the United States. The legal persons for whom such personal data are intended are the Company and any third party providing services to the Company in connection with the administration of the Plan.

16. Plan Documents. By accepting this award, you acknowledge having received and read this Award Agreement and the Plan, and you consent to receiving information and materials in connection with this Award or any subsequent awards under the Company's long-term performance plans, including without limitation any prospectuses and plan documents, by any means of electronic delivery available now and/or in the future (including without limitation by e-mail, by website access, and/or by facsimile), such consent to remain in effect unless and until revoked in writing by you. This Award Agreement and the Plan, which is incorporated herein by reference, constitute the entire agreement between you and the Company regarding the terms and conditions of this Award.

17. Jurisdiction; Governing Law. Any action arising out of or related to this Award Agreement or the Plan shall be brought exclusively in the United States District Court for the Eastern District of Pennsylvania, or in any court of general jurisdiction in Allentown, Pennsylvania; you and the Company consent to personal jurisdiction in any such court and waive any objection to the laying of venue of any such suit, action or proceeding in any such court. This Award Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without reference to its principles of conflict/choice of law. You and the Company also irrevocably and unconditionally consent to the service of any process, pleadings, notices, or other papers with respect thereto. YOU AND THE COMPANY IRREVOCABLY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM, OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS AWARD AGREEMENT.

18. Modification; Severability. If any court of competent jurisdiction finds any provision of this Award Agreement, and particularly the covenants set forth in Paragraph 1, or portion thereof, to not be fully enforceable, it is the intention and desire of the parties that the provision be fully enforced to the extent the court finds them enforceable and, if necessary, that the court modify any provisions of this Award Agreement to the extent deemed necessary by the court to render them reasonable and enforceable and that the court enforce them to such extent. To the extent that such provisions cannot be modified, it is the intention of the parties that the provisions be severable and that the invalidity of any one or more provisions of this Award Agreement shall not affect the legality, validity and enforceability of the remaining provisions of this Award Agreement. If Paragraph 1 is unenforceable in its entirety, then this Award Agreement shall be considered null and void *ab initio*.

19. Waiver. The failure of the Company to enforce any terms, provisions or covenants of this Exhibit shall not be construed as a waiver of the same or of the right of the Company to enforce the same. Waiver by the Company of any breach or default by you of any term or provision of the Award Agreement (including these Restrictive Covenants) shall not operate as a waiver of any other breach or default.

20. No Contract. None of your FY2024 Performance Share Awards, this Award Agreement, nor the Plan constitute a contract of employment; nor do they guarantee your continued employment for any period required for all or any of your Awards to vest or become exercisable.

EXHIBIT B

PERFORMANCE SHARES

1. Grant of Performance Shares. Performance Shares are granted to you subject to the terms of the Plan, as amended from time to time and the terms and conditions described in this Award Agreement. The Performance Shares are “Deferred Stock Units” as described in Section 9 of the Plan. The Deferral Period begins on 1 December 2023 and ends on 1 December 2026.

2. Payment of Deferred Stock Units. The Performance Shares granted to you will be earned in accordance with the formula indicated in Attachment I based on Air Products’ relative “Total Shareholder Return” in relation to the “TSR comparator group” (as such terms are defined in Attachment I) over the three fiscal year performance period beginning 1 October 2023 and ending 30 September 2026 (the “Performance Period”). Subject to the conditions described in this Award Agreement, Performance Shares earned and not forfeited (including in the event of your termination of employment during the Deferral Period) shall be paid in shares of Common Stock, cash, or both, as determined by the Administrator or its delegate, in its sole discretion, as soon as administratively practical following the end of the Deferral Period (but in no event later than 60 days thereafter).

3. Dividends. No cash dividends or other amounts shall be payable with respect to the Performance Shares during the Deferral Period. For each earned Performance Share that vests under this Award Agreement, you will be entitled to receive a payment equal to the dividends which would have been paid with respect to a share of Common Stock during the Deferral Period without interest (“Dividend Equivalents”). Such Dividend Equivalents will be paid in cash or shares of Common Stock following the end of the Deferral Period (but in no event later than 60 days thereafter) or at such other time as is specified below.

4. Termination of Employment. Except as provided below (with respect to a qualifying “Involuntary Termination” as such term is defined below), if your employment by the Company and all of its affiliates is terminated for any reason prior to 1 December 2024 for any reason other than death or Disability, all of your Performance Shares will be automatically forfeited in their entirety. If your employment by the Company and all its affiliates terminates on or after 1 December 2024, but during the Deferral Period, other than due to death, Disability, Retirement or a termination by the Company without Cause, all of your Performance Shares will be automatically forfeited in their entirety. For purposes of this Award Agreement, (i) a termination without Cause by the Company during the Deferral Period shall be referred to as an “Involuntary Termination,” and (ii) Cause shall have the meaning set forth in the Plan, provided that if the administrator of the Air Products and Chemicals, Inc. Executive Separation Program (the “Program”) determines that you are eligible for the benefits of the Program, Cause shall have the meaning set forth in the Program.

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a. Death or Disability. If your employment by the Company and all its affiliates is terminated during the Deferral Period (including before 1 December 2024), due to death or Disability, you will vest in a pro-rata portion of your earned Performance Shares, based on actual financial performance, as determined by the Administrator in its sole discretion, (which portion in each case shall be based on the number of full months you worked during the Performance Period before your termination of employment *divided by* 36) and your remaining Performance Shares will be forfeited. If your employment by the Company and all its affiliates terminates at any time during the Deferral Period (including before 1 December 2024) due to death or Disability, payment in respect of earned Performance Shares that have not been forfeited and of related Dividend Equivalents shall be made, as soon as practicable following the end of the Deferral Period (but in no event later than 60 days thereafter), to you, or, in the event of death, your Designated Beneficiary or, if none, your legal representative.

b. Retirement. If your employment by the Company and all its affiliates is terminated on or after 1 December 2024, but during the Deferral Period, due to Retirement, you will vest in a pro-rata portion of your earned Performance Shres, based on actual financial performance, as determined by the Administrator in its sole discretion, (which portion in each case shall be based on the number of full months you worked during the Performance Period before your termination of employment *divided by* 36) and your remaining Performance Shares will be forfeited. In the event of your termination of employment due to Retirement on or after 1 December 2024 and prior to the end of the Deferral Period, payment in respect of the Performance Shares due to you and of related Dividend Equivalents shall be made as soon as administratively practical following the end of the Deferral Period (but in no event later than 60 days thereafter).

c. Involuntary Termination. If your employment is terminated at any time during the Deferral Period (including before 1 December 2024) due to Involuntary Termination and you execute a general release of claims in favor of the Company within 50 days following your termination in a form satisfactory to the Administrator (a "Release"), you will vest in a pro-rata portion of your earned Performance Shares, based on actual financial performance, as determined by the Administrator in its sole discretion, (which portion shall be based on the number of full months you worked during the Performance Period before your termination of employment *divided by* 36) and all of your remaining Performance Shares will be forfeited. If you do not execute a Release, all of your Performance Shares will be automatically forfeited in their entirety. With respect to an Involuntary Termination that also meets the definition of Retirement: (i) if services to the Company are terminated before 1 December 2024, such termination of employment shall be deemed to be, and shall be treated as, an Involuntary Separation for purposes of this Award Agreement; and (ii) if services to the Company are terminated on or after 1 December 2024 and prior to the end of the Deferral Period, such termination of employment shall be deemed to be, and shall be treated as, a Retirement for purposes of this Award Agreement. If your employment by the Company and all its affiliates terminates at any time during the Deferral Period due to Involuntary Termination, payment in respect of Performance Shares that have not been forfeited and of related Dividend Equivalents shall be made as soon as administratively practical following the end of the Deferral Period (but in no event later than 60 days thereafter).

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5. Notwithstanding anything to the contrary above, if your employment by the Company and its affiliates is terminated and such termination constitutes a "Termination of Employment" within the meaning of the Program and the administrator of the Program determines you are entitled to the benefits of the Program, your outstanding Awards under this Agreement shall be treated in accordance with the Program.
6. Recoupment and Forfeiture. This award, and any proceeds hereunder, shall be subject to the terms of the Air Products and Chemicals, Inc. Compensation Recoupment Policy and Air Products and Chemicals, Inc. Supplemental Executive Officer Recoupment Policy (each a "Policy"), each as may be amended from time to time. By accepting this award, you acknowledge that this award, and proceeds hereunder, are subject to reimbursement, repayment, recoupment, or forfeiture pursuant to the terms of each Policy in the event of an accounting restatement or covered conduct under the terms of the applicable Policy.
7. Taxes. The Company shall have the right to deduct from all Awards hereunder paid or any payment in respect of an Award, any federal, state, local or foreign taxes required or permitted by law to be withheld. In the case of a payment in respect of Performance Shares made in Common Stock, the Company shall reduce number of the shares of Common Stock to be distributed by an amount with a value equal to the value of such taxes required or permitted to be withheld.
8. Adjustments. In the event of any change in the outstanding shares of Common Stock of the Company or the occurrence of certain other events as described in Section 12 of the Plan, an equitable adjustment of the number of Performance Shares covered by this Award Agreement shall be made as provided in the Plan.
9. Code section 409A. It is intended that the provisions of this Award Agreement avoid the adverse consequences under section 409A of the Internal Revenue Code (the "Code"), and all provisions of the Award Agreement shall be construed and interpreted in a manner consistent with that intent. The Administrator reserves the right to make amendments to the Award Agreement as the Administrator deems necessary or desirable to avoid the imposition of taxes or penalties under section 409A of the Code. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with an Award (including any taxes and penalties under section 409A of the Code), and neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

FY2024-2026 Performance Share Payout Schedule

1. Performance Shares Earned. For the avoidance of doubt, capitalized terms that are otherwise not defined in this Attachment will have the same definition as in the Award Agreement. The number of Performance Shares earned will be determined in accordance with the following formula:

(PERFORMANCE SHARES AWARDED) x (PAYOUT FACTOR) =
(PERFORMANCE SHARES EARNED)

2. Payout Factor. The “Payout Factor” is the percentage determined under this Section 2. The Payout Factor is based on the Company’s TSR Percentile Rank among the TSR comparator group for the Performance Period. The “Initial Payout Factor” is determined in accordance with the following schedule:

Company’s TSR Percentile Rank	Initial Payout Factor
$\geq$ 75th %ile	200%
$\geq$ 50th %ile	100%
$\geq$ 30th %ile	30%
< 30th %ile	0%

The Initial Payout Factor will be interpolated for TSR Percentile Rank between discrete points, from a minimum Initial Payout Factor of 30 percentage points to a maximum Initial Payout Factor of 200 percentage points

The Initial Payout Factor will be increased by 15 percentage points to determine the maximum Payout Factor (the “Maximum Payout Factor”), but in no event will the Maximum Payout Factor exceed 215 percentage points. The Committee, in its discretion, may decrease the Maximum Payout Factor by up to 30 percentage points (*i.e.*, a decrease of 15 percentage points from the Initial Payout Factor) to determine the Payout Factor. The Committee, in its discretion, may adjust the amount of any individual’s payout, but the Payout Factor used for such payout may not exceed the Maximum Payout Factor.

3. Definitions.

a. Beginning Price means, with respect to the Company’s and any other TSR comparator group company’s common stock, the average of the closing sale prices of a share of such common stock on the principal exchange on which such stock is traded for the thirty (30) calendar days preceding the first day of the of the Performance Period.

b. Ending Price means, with respect to the Company’s and any other TSR comparator group company’s common stock, the average of the closing sale prices of a share of such company’s common stock on the principal exchange on which such stock is traded for thirty (30) calendar days ending with the last day of the Performance Period.

c. TSR Comparator Group for purposes of calculating the TSR Percentile Rank, shall be a fixed group of the companies that comprise the S&P 500 index at the beginning of the Performance Period (*i.e.*, 1 October 2023), subject to the modifications described below. The TSR Comparator Group will be modified to reflect merger and acquisition activity during the Performance Period. If an S&P 500 constituent is acquired during the Performance Period, they will be removed from the index when calculating the payout. If an S&P 500 constituent has a spin, the RemainCo stays when calculating the payout, and SpinCo will be treated as a dividend. If an S&P 500 constituent goes bankrupt during the Performance Period, the company will remain in the comparator group, ranked at the bottom.

d. Total Shareholder Return or TSR shall be the percent increase/decrease in value that would be experienced from purchasing a share of the Company's or a TSR comparator group company's common stock at the Beginning Price and holding it for the Performance Period and selling at the Ending Price of such a share, assuming that dividends and other distributions are reinvested in additional shares of such stock at the closing market price on the ex-dividend date. Any non-cash distributions shall be valued at market value that shall be determined by the Committee.

e. TSR Rank means the ranking of the Company's TSR among the TSRs for the TSR Comparator Group companies for the Performance Period. TSR Rank is determined by ordering the TSR comparator group companies and the Company from highest to lowest based on TSR for the Performance Period and counting down from the company with the highest TSR (ranked first) to the Company's position on the list. If two companies are ranked equally, the ranking of the next company shall account for the tie, so that if one company is ranked first, and two companies are tied for second, the next company is ranked fourth. In the event of any ambiguity, the determination of the Committee shall be final and binding.

3. TSR Percentile Rank. The TSR Percentile Rank will be determined as follows:

The n^{th} ranked company out of the N companies (including Air Products) would have the following TSR Percentile Rank

$$\text{TSR Percentile Rank} = \frac{(N - n)}{(N - 1)}$$

That is, if Air Products ranked 5^{th} out of 16 companies, its TSR Percentile Rank would be 73.3% ((16-5)/(16-1)), which would give an Initial Payout Factor of 193.3%.

Exhibit 10.3

AMENDMENT NO. 3 TO THE

AIR PRODUCTS AND CHEMICALS, INC.

RETIREMENT SAVINGS PLAN

WHEREAS, Air Products and Chemicals, Inc. (the "Company") is the Plan Sponsor of the Air Products and Chemicals, Inc. Retirement Savings Plan (the "Plan"); and

WHEREAS, pursuant to Plan Section 7.01 the Plan may be amended at anytime; and

WHEREAS, the Company desires to update Schedule I.

NOW, THEREFORE, the Plan is hereby amended effective October 1, 2023 as follows:

1. Schedule I is updated as attached hereto.
2. In all other respects the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has caused its Senior Vice President, Human Resources to execute this Third Amendment to the Plan.

AIR PRODUCTS AND CHEMICALS, INC.

By: /s/ Victoria Brifo
Victoria Brifo
Senior Vice President and Chief Human Resources Officer

Date: 9/29/2023

SCHEDULE I

PARTICIPATING EMPLOYERS

AS OF 1 October 2023

Name of Affiliated Company	Participating Employer Since Date	Revocation Date
ProCal	2 March 2015	N/A
Air Products Energy Enterprising, Inc.	Continuing	N/A
Air Products Helium, Inc.	Continuing	N/A
Air Products Manufacturing Co., Inc.	Continuing	N/A
Air Products LLC	1 June 2007	N/A
Air Products Performance Manufacturing, Inc. (formerly known as “Tomah Products, Inc.” and “Tomah Reserve, Inc.”)	1 April 2006	N/A
Versum Materials US, LLC	1 August 2016	1 October 2016
Air Products West Coast Hydrogen	1 October 2023	N/A
Air Products Industrial Gas LLC	1 October 2023	N/A
Air Products Manufacturing LLC	1 October 2023	N/A

Exhibit 31.1

PRINCIPAL EXECUTIVE OFFICER’S CERTIFICATION

I, Seifi Ghasemi, certify that:

1. I have reviewed this Quarterly Report of Air Products and Chemicals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 3 August 2023 5 February 2024

/s/ Seifi Ghasemi

Seifi Ghasemi
Chairman, President and Chief Executive Officer

Exhibit 31.2

PRINCIPAL FINANCIAL OFFICER'S CERTIFICATION

I, Melissa N. Schaeffer, certify that:

1. I have reviewed this Quarterly Report of Air Products and Chemicals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 3 August 2023 5 February 2024

/s/ Melissa N. Schaeffer

Melissa N. Schaeffer
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Air Products and Chemicals, Inc. (the "Company") on Form 10-Q for the period ending 30 June 31 December 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Seifi Ghasemi, Chairman, President, and Chief Executive Officer of the Company, and Melissa N. Schaeffer, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: 3 August 2023 5 February 2024

/s/ Seifi Ghasemi

Seifi Ghasemi
Chairman, President, and Chief Executive Officer

/s/ Melissa N. Schaeffer

Melissa N. Schaeffer
Senior Vice President and Chief Financial Officer

DISCLAIMER